The NATIONAL UNDERWRITER

Published weekly at 175 W. Jackson Blvd., Chicago 4, Illinois. Second class postage paid at Chicago.

30¢ a copy
$7.50 a Year

October 20, 1961
65th Year, No. 42

The National Weekly Newspaper of Fire and Casualty Insurance

Cites Kefauver Report Challenge

Morrill Urges Agreement On Fundamental Concepts Of Competition In Talk To CPCUs

Thomas C. Morrill, vice-president State Farm Mutual Auto, speaking at the CPCU all-industry luncheon at San Francisco last week, urged agreement on some fundamental concepts in order to meet the challenges of the Kefauver report and maintain public confidence in the insurance business. "If we are to align ourselves with the standards common to other American enterprise," Mr. Morrill declared, "we must agree that (1) the ability to compete encourages economy and efficiency; (2) the efficient competitor should be able to reflect its economies in its rates; (3) the customer should be able to obtain the savings made possible by competitive efficiency through free access to competitive rates."

Identify With Policyholders

"We must identify our interests with the interests of our policyholders," he said, "if we expect to maintain public confidence in private insurance enterprise. No good can come from a public image as advocates of mandatory high rates and high commissions when the customer wants the forces of competition to prevail."

Such an image was being projected in some areas, he charged, by small groups of organized insurance agents who, "out of harmony with the majority of their own ranks, out of harmony with the companies they represent, out of harmony with the intent of Congress (as re-expressed in the Kefauver committee report), and out of harmony with the best interests of their own customers, continue to urge the enactment of mandatory uniform rate laws."

He cited three instances — in Texas, Oklahoma and North Carolina— where such a position has been taken publicly by three agent groups.

The recent report of the Senate subcommittee on anti-trust and monopoly (the Kefauver report) is an influence which Mr. Morrill said seems sure to play a part in the future of insurance management.

"We are challenged by this report," Mr. Morrill said. "Its challenges must be aired. It is inconceivable that charges as penetrating as these can go unexplored. To the extent that practices may persist which contravene our national principles for the conduct of commerce, then we risk dangerous new legislation. To the extent that they reflect differences within the industry, they constitute barriers to communications and mutual understand-

(CONTINUED ON PAGE 36)

D. P. McHugh Joining State Farm Mutual

Donald P. McHugh, counsel to the Senate subcommittee on anti-trust and monopoly on Oct. 30 will join State Farm Mutual Auto with the title vice-president, legal. Mr. McHugh has been the guiding spirit in the Senate subcommittee investigation of insurance regulation.

Record Pace Set For Closing Carla Losses

Payment of more than $18 million to Texas policyholders was authorized in just 30 days of operations by adjusters handling Hurricane Carla losses for stock insurers, B.P.L. Carden, general adjuster National Board, stated. Of 119,813 losses reported to stock companies, 49,596 have been closed and an additional 40,553 have been inspected and are in the process of being closed. This makes a total of 90,149 property inspections in the 30 day period.

Mr. Carden said that at no other time was such a high percentage of losses closed in such a short time. Never before was there such a rapid concentration of adjusters in one state, he said—and never before have adjusters faced such a difficult job. The record of accomplishment speaks for itself, he declared.

Mo. Agents Favor Competitive Rates

Missouri Assn. of Independent Agents at their 1961 annual meeting in Jefferson City last week adopted a resolution on insurance rates, holding that "competitive rates in the interest of policyholders" are a paramount concern. The resolution called for establishment of minimum standards for forms in order that policyholders may have the benefit of the best coverage available. Directors of the association were instructed to undertake an exhaustive inquiry "in cooperation with, but not limited to," the state superintendent of insurance, attorney general of Missouri, National Board, Assn. of Casualty & Surety Companies, National Assn. of Independent Insurers, and private counsel, "for the purpose of proposing legislation which will assure competitive rates with adherence to the principle of strict regulation of such minimum forms and any attempt to curtail coverage thereunder; including appropriate regulatory machinery always provided for supervision of both rates and forms."

Hoosier Cas. To Be Retired At Year End

Hoosier Casualty of Indianapolis will be liquidated as of the end of 1961. Kenneth B. Hatch, president of Reliance group, stated this is being done to cut down the number of companies in the group.

The automobile and general casualty business of Hoosier Casualty will be taken over by General Casualty of Wisconsin. The A&S division, which is the largest segment of the business, will become the health division of Reliance with headquarters continuing in Indianapolis.

Gold Defends N. C. Laws; Agents Elect Follin President

Agents attending the 64th annual convention of North Carolina Assn. of Insurance Agents gave Commissioner Charles F. Gold an ovation after he replied sharply to a Senate anti-trust and monopoly subcommittee report which had criticized rate-making practices in North Carolina. He said the subcommittee had failed to take note of conditions within the state and of some practices elsewhere.

The subcommittee was critical of rate making bureaus and of the new North Carolina law elimiating deviations on compulsory auto liability. Mr. Gold pointed out that no deviations have been permitted for years on workmen's compensation insurance, which is also compulsory in the state. Also, he said, the Senate subcommittee neglected to point out that Massachusetts, where auto liability long has been compulsory, doesn't permit deviations.

Don't Want Regulation

Proponents of changes suggested by the subcommittee, gave only "lip service"to the idea of regulating insurance, Mr. Gold said. "In effect, they wanted no regulation," he said.

Mr. Gold said rating bureaus "can serve as checks against companies that would otherwise get into wrong practices." Recalling that several years ago some firms were found over-charg-

(CONTINUED ON PAGE 59)

Mo. Agents Elects Fogel President At 62nd Annual

Automated Accounting Panel Is Featured; Vogt Is Named V-P; 300 On Hand

By R. R. CUSCADEN

JEFFERSON CITY—Autumn leaves were generally conceded to be on the downfall along the Missouri River here last week, but that this situation in no way applied to the independent agents' status was stressed by almost every speaker at the 62nd annual convention of Missouri Assn. of Insurance Agents.

Not even the final game of the world series was sufficient to dissuade the registrants from jamming every session, and they were rewarded for their diligence with a well-planned program that featured an all-morning discussion of automated agency accounting, a plan to sell life insurance, and a personal development seminar.

Fogel New President

Morris S. Fogel, Kansas City, was elected president; H. Roland Bieser, St. Louis, moved into the vice-presidency, and Lyman L. Winter, Jefferson City, was renamed state national director.

As always at these conventions, much of the credit must go to the

(CONTINUED ON PAGE 42)

This new 22-story building, erected by Travelers at 3600 Wilshire Boulevard, Los Angeles, at a cost of $12 million, was dedicated at a ceremony attended by more than 1,000 Travelers employes, agents, and guests. There were two days of activities. J. Doyle DeWitt, president of the group, addressed, a meeting in the new building of the full 15-man board of Travelers, the second time in 97 years a meeting of the directors has been held outside the home office in Hartford.

Three Travelers employes who had been called into active service raised the U. S. flag over the new building along with Travelers' blue pennant.

Why Mergers Occur And Problems They Pose, From The British View

F. R. Norton, formerly general manager and still a director of Guardian of England, discussed insurance company mergers at the Chartered Insurance Institute in Aberdeen, Scotland. Among other things, Mr. Norton said, in substance:

Mergers are not new in the insurance business. They have been occurring since the 18th century. Sometimes they are brought about by the financial instability of the company acquired. At other times a company may want to establish or strengthen and enlarge its business in a particular territory, at home or overseas, and so increase the size and spread of its operation; and in other cases to enable a company to acquire a nucleus of business in a branch of insurance it had not previously transacted, together with a staff having the technical knowledge and experience for handling the business. There have been literally hundreds of mergers and amalgamations. They have played a very important part in the development of the business. I hope that when at some future time a balanced view can be taken of the outcome of the more recent mergers it will be said that they have proven beneficial to British insurance.

Has Avoided Take-Over

The business has avoided in practice the use of the term "take-over," which extends to include, and possibly in the popular view relates more to, a class of transaction where a company seeks to acquire the assets of another, not necessarily operating in the same line of business, by making an offer for its share capital in the belief that the assets could be put to more profitable use, or to acquire control of a company the directors of which have shown undue conservatism in dividend distribution.

In the case of recent mergers in insurance, no offer has been made without prior consultation between the respective boards. If there is to be smooth and, therefore, effective cooperation subsequently between the two companies, it is essential that there should be agreement and goodwill between the directors. If that has been established, it should in due time permeate through all ranks in the companies' service.

By entering into these negotiations, the board of a company which has been approached with an offer of merger assumes considerable responsibilities. There will almost inevitably be a measure of loss of independence however the transaction is arranged, and, perhaps unjustifiably, an adverse reaction and a feeling of frustration at least temporarily among the staff.

Most recent mergers between composite companies have been substantially, if not wholly, by way of a share exchange, and this involves the necessity of a free exchange of information —statistical and otherwise—between the directors and their advisers on both sides.

The responsibilities of the directors of the company making the offer are certainly no less. They must preserve equity between the shareholders of the two companies, and it will be expected that the future prospects of the shareholders of both will be improved. Without reflecting in the slightest on the importance of the investigations and assessments made by technical insurance men, the problems involved fully justify the terms of the

(CONTINUED ON PAGE 52)

Gold Rejects EC Rise As He Raps Insurers For Not Writing It

Commissioner Gold of North Carolina has rejected an increase of 50% on extended coverage rates on dwellings and farm properties and 25% on other properties in the seacoast territory, asked by North Carolina Fire Insurance Rating Bureau. In doing so, the commissioner stated that in January, 1959, he approved an increase for the coast with the expressed hope that approval would improve availability of insurance in that area. Unfortunately, he stated, there is no evidence to indicate that the market did improve appreciably.

Though there have been losses since approval of the last filing, he said, in catastrophe insurance it is difficult to establish rates for small areas. Wind damage can occur and has occurred through North Carolina. Recognition of this fact has been given in establishing EC rates throughout the state. Taking the state as a whole, present rates are felt to be adequate.

There is no evidence that approval of the filing under consideration will cause companies to write more extended coverage in the coastal area, he declared, and added that he hoped "companies will recognize that the state has given them the privilege of writing insurance anywhere in North Carolina and that property owners will have an opportunity to purchase protection."

SIIS Elects McBride At Annual In Dallas

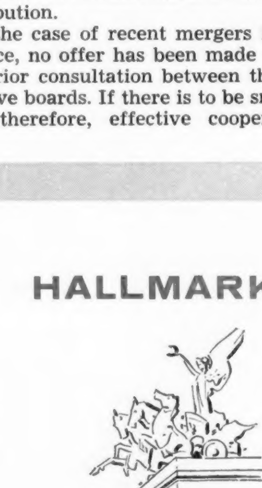
Southwestern Insurance Information Service at the annual meeting in Dallas elected Frank E. McBride, state claims manager in Dallas for Kemper group, president and a director. He succeeds J. Michael Riley, president Transport insurance group.

Also named were Joseph Metschan, Farmers Exchange; Robert Hall, Great American F.&C., and O. Dean Couch, Security General, vice-presidents; and Stoddart Smith, Argonaut, secretary-treasurer.

New directors are F. P. Mims, Allstate; Richard F. Skinner, Indiana Lumbermen's Mutual; John Goolsby, Republic, and Duff Daniel, Gulf.

A. N. Truxal, secretary-treasurer for 27 years of **Union Mutual** of Greenburg, Pa., has retired. He was president of Pennsylvania Assn. of Mutual Insurance Companies in 1958. John D. Moyer, who has been with the company two years, has succeeded Mr. Truxal.

HALLMARK OF PROGRESS



We live in a time of such rapid growth in knowledge that only he who continues to learn and inquire can hope to keep pace, let alone play the role of guide. We at Leslie H. Cook are consistently developing new skills, new techniques, and new facilities for doing things better. We believe these forward-looking objectives are the hallmark of progress for those who seek profit and purpose in the years ahead.

Leslie H. Cook INCORPORATED

175 W. JACKSON BLVD. · CHICAGO 4 · WABASH 2-8783
36 PEARL ST. · HARTFORD 3, CONN. · CHAPEL 7-2534

REINSURANCE, Treaty Facultative · SURPLUS LINES, All Forms · EXCESS COVERS

Ariz. Agents Elect Bird President

Arizona Assn. of Insurance Agents at its annual convention at Grand Canyon elected A. Tracy Bird III, Tucson, president; Charles Traubel, Glendale, vice-president; Morton Solot, Tucson, secretary-treasurer, and D. M. Lovitt, Tucson, state national director.

Donald Olliver, and John Howard, Phoenix, and Frank L. Smith, Tucson, were named directors.

Home Files Non-Can Auto Policy In W. Va.

The West Virginia department calls attention to the fact that Home has filed a special automobile policy in that state which includes an agreement to continue the automobile liability coverages in force for a period of five years, subject to specified conditions. The department states that this is the first automobile policy filed in West Virginia which limits the right of company termination.

Allstate has filed an endorsement which provides that on new business after the first 90 days and on all renewal business the auto liability cannot be cancelled during the policy term except for specified conditions.

$5,000 Deductible Fire To Be Separate Class Of Insurance In Oregon

The Oregon department has issued a ruling stating that insurance covering loss or damage to property by fire and allied lines which is subject to an uninsured retention by the insured of $5,000 or more be considered as a separate class of insurance.

N. H. Gets Safe Driver Plan

The National Bureau-National Automobile Underwriters Assn. safe driver program has been approved in New Hampshire. The reduction for liability and collision is approximately 15% for drivers with a 3-year accident free record. A driver with one accident wil pay 20% more than the accident-free driver and the one with two accidents 75% more.

Rates for "inexperienced drivers," those not licensed to drive for the last three years, will be increased over present rates for such drivers.

In addition, the 20% discount for liability and 10% for collision is introduced for the families with two or more automobiles. This replaces the present 25% discount. It is not for families with inexperienced drivers. Farmers get a 30% discount on liability and collision.

NAUA has revised PHD rates to produce an average reduction of 5.27%. There is, however, a 4.7% increase in comprehensive, an 11.8% decrease for $50 deductible collision and a 1.7% decrease for $100 deductible. Slight increases were effected for commercial and miscellaneous coverages. National Bureau cut medical payments 15%.

Brown Resigns Ky. Post

H. Pell Brown has resigned as director of the fire and allied lines division of the Kentucky department and is replaced by Ben J. Hodges Jr.

Mr. Brown was formerly a field man for Camden Fire. He has indicated he will return to private business. Mr. Hodges formerly was an engineer with Kentucky Inspection Bureau and later was a field man for L.&L.&G.

SIGNAL PERFORMANCE
IN WRITING ALL LINES
TO THE NEED...

Lincoln casualty co.
a Stock Company

PORTLAND, OREGON SPRINGFIELD, ILLINOIS CHICAGO, ILLINOIS

What's Wrong With Plaintiffs' Attorneys, Doctors, And Insurers

The hard, cold fact of the matter is that the bench as well as the bar are not facing up to the problems which, unless solved, will ultimately destroy both, and with them the citizen and the insurance business.

This was the conclusion of James A. Dooley, prominent Chicago attorney who represents principally plaintiffs, in a talk to the insurance section of American Bar Assn. in St. Louis. Asked to present a "critique" of plaintiff attorney practices, he said he was in no way seeking to detract from their accomplishments. Much has been done for the general welfare by the plaintiff's advocates during the past decade. What he does condemn are the practices of the unrepresentative few.

Mr. Dooley believes that the American courts and system of jurisprudence are about to "collapse" and something must be done immediately.

Almost all the improprieties on the plaintiff's side stem from the erroneous concept that the personal injury practice is a business, not the practice of a profession. The insurance industry is a business, he said. It must operate as such, mindful of the rights of its stockholders and policyholders. The standard for it is not the standard for the practice of law.

In Chicago, he said, there are "brokers," lawyers who get a case and try to dispose of it by settlement without performing any legal services. They are not trial lawyers. Most of them make no appearance in courts.

But most of the acute evils in personal injury practice can be attributed to certain young lawyers who regard representation of plaintiffs in personal injury cases as a business. They ignore the professional aspect, the attorney and client relationship, and make what should be advocacy a business of an adjuster representing the injured person. For them the big thing is to get the case, the next is to get the fee as soon as possible. They don't properly investigate the facts or the law. Their clients usually have been solicited through police or doctors.

Anomalous Position

The insurers occupy a very anomalous position in this matter, Mr. Dooley declared. They do not agree with the methods of these young men. Yet they are glad to see them get the case rather than a painstaking lawyer because they know the case can be disposed of quickly and much more cheaply than if handled by a lawyer who devotes himself to his client's cause as distinguished from his own and who can prepare and try the case if trial is necessary.

Another evil, Mr. Dooley said, is the nuisance value suits, filed without intent of trial and often unprovable. Yet they are lawsuits, they cost money, and they clog the courts and blockade matters worthy of litigation. This is one reason he opposes comparative negligence statutes, which would increase the nuisance value of such cases and make for greater court congestion.

Mr. Dooley also had a harsh word for certain doctors who, playing on the fears and worries of the injured person, recommended a lawyer, who within a few hours, has the injured person signed up. Such doctors usually have a vital financial interest in their patients' cause and may even share in the attorney fees. Such doctors are practicing law without a license. Time and again he has seen cases of malpractice by such doctors. In fact, he said, it is usually the incompetent medical man who deals in such practices.

While lawyers police their membership in regard to solicitations, he said, medical groups are oblivious to these situations. It is high time the medical profession instituted effective probibitions against these practices. Also, he said, the writing (or "doctoring") of the medical report by the lawyer should be condemned. Here insurers are not entirely blameless.

The honest doctor has found that on many occasions his patients do not get their just due unless his report contains some exaggeration. His experience has been that no matter how conservative his reports were, they have been dissected by the insurer's claim man and he, the doctor, has been treated as one aiding in the perpetration of a fraud. When he has had occasion to testify for a plaintiff and has given an honest opinion, he has been attacked without cause by defendant's counsel.

"Many reputable doctors who have but an occasional encounter with an insurance case," Mr. Dooley declared, "regard companies as materialistic monsters interested in paying as little as possible and devoid of common morals." He urged the companies to improve their public relations with the medical profession. That can best be done by treating decent doctors decently.

Also, he said, while there are a few objective medical men doing work for the insurance business, the great majority of doctors who spend much of their time performing examinations

(CONTINUED ON PAGE 34)

Correspondents of

Lloyd's, London

Professional Service for all your Lloyd's Coverages.

H. Wm. SADLER & CO.

175 W. Jackson Blvd.
WAbash 2-7681

Chicago 4, Ill.
Cable - Sadlerco

TWX CG 1659

Comments On Marine Congress In Lisbon

By L. TYTENS

Gremio dos Seguradores (Union of Insurers) of Lisbon acted as host to members of International Union of Marine Insurance at its annual conference in that Portuguese city. More than 300 attended.

One will never know whether producers who attend these gatherings do so to exchange opinions on business or with their principals, or whether their aim is to negotiate reinsurance business. In addition there is a growing number of unregistered persons in attendance. Marine underwriters ought not to worry about this but be glad that their congress remains after all an international function on which many people rely to further their personal interests. It was a busy week socially and official meetings. Because after all the purpose was to get through the agenda of the congress.

Briner Reports

C. Briner of Switzerland, who is the liaison officer between the IUMI and other international bodies, dwelt at some length on his contacts with those organizations. He reported no tangible progress in matters of interest to the ocean marine underwriters. To the suggestion that uniform world wide F.P.A. conditions be adopted, Jean Jaubert of France, who deals mainly with comparison of clauses and negotiable bills of lading, indicated that after all the ocean marine insurers should solve their own problems. The congress of IUMI only makes recommendations, which means agreements have to be entered into and will have to be drafted by other international organizations whose members may very well not know anything about ocean marine insurance.

Commissions have been busy fixing the liability of road haulage contractors. This being in force in Europe, the Nordic Pool has warned marine underwriters that it would be unsound business practice for them to grant to those carriage undertakings full cover so as to make insurance for the account of the cargo owner unnecessary. In addition, studies are under way to alter, as far as liability is concerned, the old time custom applying to carriage on inland waterways, according to which the craft is supplied without any guarantee. It must be expected that under pressure from railways with a view to level working expenses,

(CONTINUED ON PAGE 26)

N-1159
M. WEST—INTERNAL AUDIT MGR.—$17,500.
Age to 45. Accounting degree or CPA. Minimum 12 years insurance company Home Office internal audit managerial exp. Initial background acquired with firm of public accountants or diversified experience acquired in industry apart from insurance.

N-1160
W. COAST—BOND MANAGER—$13,500.
Excellent company, assets in excess of $50,000,000. Age range 38-45. Minimum 10 years insurance company Fidelity-Surety managerial experience. Employer has decided preference for individual with West Coast experience.

N-1161
M. WEST—PROPERTY DEPT. MGR.—$12,500.
Unusual opening for man desirous of joining nationally known agency system Company with full charge of Fire-Marine Production Department. Age to 40. College degree mandatory. Thoroughly experienced (min. 9 years) all aspects Fire-Marine Underwriting and Production.

N-1162
GEORGIA—CAS. UNDR. SUPVR.—$9,500.
Well known company establishing Southern operations. Age to 45, college background. At least 8 years all Casualty lines underwriting experience with ability to supervise staff important.

INSURANCE PERSONNEL EXCLUSIVELY offers the following distinct advantages: 1) "Know-how" acquired by exclusive specialization in the insurance personnel field for over two decades. 2) Individual attention accorded each applicant by five counsellors, each a specialist in one specific area of insurance personnel. 3) Absolutely no promiscuous referrals or mass mailings to jeopardize or embarrass a man's position. 4) No contracts or legal forms of any kind to sign. 5) A reasonable service charge, many times assumed by our employer clients. 6) Equal careful attention given to clients, on all levels from Junior to Executive. 7) Our client roster is nationwide. 8) RESULTS: "The" position rather than "a" position.

Write for "HOW WE OPERATE" . . . No obligation to register . . . Confidential handling guaranteed.

FERGASON PERSONNEL
INSURANCE PERSONNEL EXCLUSIVELY
330 S. Wells Street HArrison 7-9040 Chicago 6, Illinois

N-1163
N. ENG.—CAS. UNDR. SUPVR.—$9,000.
Age to 50. Minimum 5 years Workmen's Comp.—General Liability experience. Ability to administer and develop Department. Thoroughly familiar with rules, rating procedures—able to assist in developing filing.

N-1164
M. WEST—SR. FIRE UNDERWRITER—$9,000.
Ideal position for young man with college degree interested in joining long established, extremely progressive agency system company. City under 600,000 population. This opening recommended on all counts.

N-1165
M. WEST—MULT. L. RESEARCH SUPV.—$8,500.
Medium sized agency system company. Assets well above $25,000,000, establishing small Research Department. Age to 35. College degree mandatory. Minimum 4 years insurance company background, preferably Home Office level. Academic background should include math, statistics or subjects related to research work. In city with population under 100,000.

N-1166
CHICAGO—SAFETY ENGINEER—$8,000.
Out of the ordinary opportunity for man under 35, desirous of obtaining position apart from routine inspection duties. Minimum 2 years college required. Personality and appearance important. Should have at least four years Casualty Engineering background, some knowledge of fleets.

Western Loss Men Meet At Delavan

Western Loss Assn., meeting at Delavan, Wis., elected J. G. Fegan of Travelers president for 1961-62 to succeed William J. McCarren of Hartford Fire. The vice-president is F. E. Woodman of Commercial Union-North British and the secretary is Harold Stein of Glens Falls. Frank Schepis, Centennial, is treasurer.

J. G. Fegan

The program included a panel on education and training of claims personnel moderated by Harold Thorp of American. Participating were G. H. Sawyer, Continental Casualty; Howard Stein, Glens Falls; George Lynch, General Adjustment Bureau; Carl E. Schultz, Fireman's Fund, and H. K. Allison of Underwriters Adjusting. The panel indicated a belief that the average insurance claim, fire or casualty, could be handled by an adjuster trained in multiple lines. Certain types of losses, however, always call for specialists, it is acknowledged.

Lively Discussion

This panel brought forth a lively discussion, most of those in the audience holding the opinion that to have adjusters cross the fire-casualty boundary is unsatisfactory.

Handling small third party claims was discussed by W. P. Nolan of Pretzel, Stouffer & Nolan, Chicago attorneys. His subject covered principally losses in the home. Mr. Nolan offered the comment the continual broadening of coverage may be leading to more trouble than is presently indicated.

John P. Gorman of Clausen, Hirsh, Miller and Gorman, Chicago attorneys, brought the loss men up to date on collapse-all risk developments.

The automobile salvage plan was discussed by P. A. Farrington of Underwriters Salvage Co. of Chicago, and a movie on blasting was shown. It was produced by Hercules Powder Co.

Briggs Is Chief Deputy Commissioner Of Hawaii

Mark Briggs has been named chief deputy commissioner of Hawaii to succeed Carl J. Allenbaugh, who has been named assistant state treasurer. Mr. Briggs had been assistant secretary-treasurer of Hawaii Casualty & Surety Rating Bureau and manager of the state's assigned risk plan.

He started his insurance career in 1941, when, as the lone employe of the state bureau, he was administrator and examiner. He joined the rating bureau in 1951. He is vice-president of Hawaii chapter of CPCU

Landefeld Joins Selective

Paul Landefeld has joined Selective of Cincinnati as field representative in northern Ohio and western Pennsylvania, with headquarters at Cleveland.

Mavon Promotes Walsh

G. A. Mavon & Co., general agency of Chicago has promoted Joseph T. Walsh to vice-president and William D. Black to succeed Mr. Walsh as head of the fire and marine department.

Mr. Walsh started 20 years ago with London and Lancashire at Chicago. He was later advanced to manager of the reinsurance department. In 1946 he joined Mavon & Co. as an underwriter.

Mr. Black went with the agency in 1953 as an underwriter. He was most recently an assistant manager in the fire and marine department.

GAB Promotes Two

General Adjustment Bureau has appointed M. E. Petersen executive assistant in the San Francisco departmental office. He has been with GAB for 28 years and was transferred from the Rocky Mountain states to San Francisco in 1959.

Gunter Thompson, executive assistant, will assume the additional duties of office manager for the departmental office and the administration of the billing and accounting departments.

Missouri Valley Region of National Assn. of Independent Insurance Adjusters will hold its annual meeting Nov. 9 at the Bel Air Motor Hotel in Kansas City.

Program Ready For Neb. Agents

The program has been published for the annual meeting of Nebraska Assn. of Insurance Agents Nov. 2-3 at the Cornhusker Hotel, Lincoln.

At the opening session Thursday morning, Nov. 2, president Kenneth Shenck will give his report of administration, and six committees will report. The luncheon speaker will be Gov. Frank B. Morrison of Nebraska. In the afternoon, Curtis Elliott, professor of insurance at the University of Nebraska, will conduct a seminar on new policies, including homeowners, boiler, apartment owners, motel, and other developments.

The next morning, M. D. Patton of Norfork presiding, there will be a film strip on smoke odor service, a report of the secretary-treasurer, the report of the resolutions committee, the report of the state director, election of officers, and talks by Frank J. Barrett, Nebraska insurance director, on administration of the agent qualification law, and Robert Hunter, advertising manager Hastings Tribune, on how agents and local editors can work together.

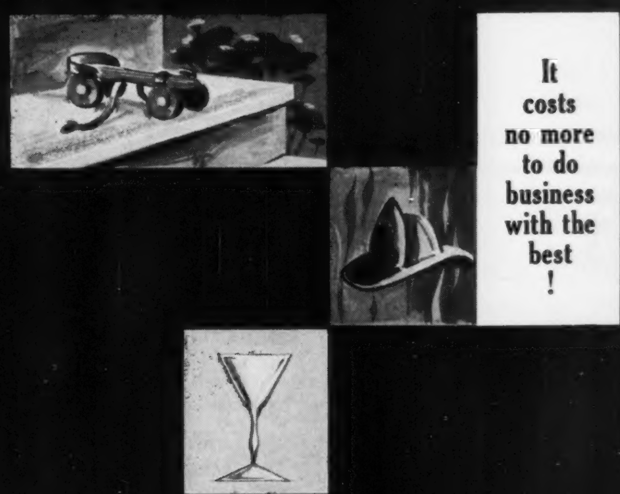
The new officers will be installed by Mr. Barrett at the luncheon, and the speaker at that time will be Hayne P. Glover, vice-president of NAIA.

Prof. Elliott will conduct another seminar that afternoon, covering farm owners, new auto developments, and the public and institutional property form.

That night there will be the banquet and presidential ball, and agents staying over will have an opportunity to attend the Kansas-Nebraska football game on Saturday.

Springfield-Monarch Names K. W. Richman

Springfield-Monarch has appointed Kenneth W. Richman Pacific Coast underwriting manager for casualty, with headquarters at San Francisco. He joined the company in 1957 at the home office and was later transferred to the western department in Chicago as casualty manager. After that he was underwriting casualty manager of the midwestern office in Freeport, Ill.



SPECIALIZED DEPARTMENTS

Geo. F. Brown & Sons, Inc., maintains over ten specialized departments fully staffed with trained experienced personnel to assist in the prompt and efficient handling of your needs. Our goal of constantly striving for improvement in markets and service has helped to make us the foremost firm in our field. For your particular problems in Fire, Public Liability, Automobile, Professional Indemnity, Liquor Liability, Accident and all forms of Special Risks, write or call us.

GEO. F. BROWN & SONS, INC.

175 W. Jackson Blvd. • Chicago 4, Illinois • WAbash 2-4280

PRIMARY COVERAGES IN ILLINOIS

WORKMEN'S COMPENSATION	GARAGE & DEALERS LIAB.
AUTOMOBILES & TRUCKS	LIQUOR LIABILITY
OLT—MFRS. & CONTRACTORS	MALPRACTICE LIABILITY
COMPREHENSIVE GEN'L. LIAB.	BEAUTY SHOP LIABILITY
COMPREHENSIVE PERSONAL LIAB.	BURGLARY
PRODUCTS LIABILITY	PLATE GLASS-50/50

★ Special Retros on Large W.C.-Liab.-Fleets, Etc.

EXCESS LIABILITY

All 3rd Party Liability Including Excess Above Assigned Risk Auto Limits to 100,000/300,000/100,000.

SURPLUS LINES

OUTSIDE ILLINOIS — Through Licensed Surplus Lines Agents in Those States And Territories Which Permit Non-Admitted Carriers To Write Liability Coverages.

NOW WRITING FIRE AND INLAND MARINE
AT BOARD RATES IN ILLINOIS • • • •
AND SURPLUS FIRE AND INLAND MARINE
IN OTHER STATES AS A NON-ADMITTED CARRIER
• • • • LARGE SINGLE RISK CAPACITY • • • •

FIDELITY GENERAL INSURANCE COMPANY

222 West Adams Street
RAndolph 6-4060 A STOCK COMPANY Chicago 6, Illinois

O. L. & T.

- Auto Bodily Injury
- Property Damage
- Comprehensive
- Collision
- Financial Responsibility Filings
- General Liability
- Fire & Extended Coverage

PREMIUM FINANCING

if it's hard to place . . . write, wire or call

KURT HITKE & COMPANY, INC.

175 W. Jackson Blvd., Chicago 4, Ill. 430 N. Fifth Street, Springfield, Ill.
1776 Peachtree St., N.E., Atlanta, Ga. 1090 N.E. 79th St., Miami 38, Fla.

Program Ready For S. C. Convention

The program has been completed for the annual convention of South Carolina Assn. of Insurance Agents Oct. 24-25 at the Francis Marion Hotel, Charleston. The annual golf tournament will be held Tuesday morning and an executive session Tuesday afternoon.

On Wednesday Commissioner William F. Austin will deliver the opening address. Maurice G. Herndon, Washington manager of NAIA, will discuss national affairs. H. T. Shulenberger, insurance counselor of Miami, will give his Confessions of an Optiist.

Wednesday afternoon Hugh C. Lane, chairman of Citizens & Southern National Bank of South Carolina, will discuss the state's economic progress. William D. Huff, public relations adviser to the association, and Carlton Thomas, PR director of the North Carolina association, will discuss public relations. New officers will be installed at the annual banquet that evening. The convention committee consists of J. Tom Grier, Spartanburg, chairman, and J. M. Goldsmith of Greenville and Samuel E. Hanvey and T. T. Mappus Jr. of Charleston.

—

New Designation For N. E. Mutuals' Pool

Mutual Fire Underwriters Assn. of New England the reinsurance pool of 23 New England mutuals, has adopted the name Selected Insurance Risks for the big-risk policies it writes.

For more than 30 years, the companies have offered large-risk capacity to their agents through their automatic reinsurance pooling arrangement. The new name and the trademark SIR are intended to be more descriptive of the operation than the old names of "the Bureau" or "the MFUA," which have been used for the plan in the past.

The SIR plan is available through agents of the New England agency mutuals in 26 states. Service is provided by a staff of 33 engineers and inspectors in the field. The mutual fire companies participating are Abington, Attleboro, Berkshire, Cambridge, Dorchester, Fitchburg, Grange, Guarantee, Hingham, Holyoke, Lowell, Lynn, Manufacturers & Merchants, Merrimack, Middlesex, Mutual of Saco, Me., Norfolk & Dedham, Pawtucket, Phenix, Providence, Quincy, Traders & Mechanics, and Worcester.

—

Revises Renewal Letter

At the request of Insurance Brokers Assn. of California, Morris Plan Co. has revised its renewal notice form letter to mortgagors so as to avoid solicitation of the mortgagor's insurance. Formerly the letter contained language constituting a direct solicitation of the mortgagor's renewal where the expiring policy was submitted with proper authorization by a broker.

Morris Plan Co. is the third prominent lender in recent months to cooperate with the brokers by revising its renewal notices. Others are San Francisco Federal Savings & Loan Co. and Bay View Federal Savings & Loan Assn. of San Francisco.

—

Warner & Co., general agency of Fargo, N. D., celebrated its 50th anniversary with a dinner party attended by several executives of companies represented by the agency.

Details Are Given For California Annual

Complete program details for "The Positive Approach," the 54th annual convention of California Assn. of Insurance Agents, have been announced by W. R. Van Dusen, Sherman Oaks, convention chairman. The meeting will be Oct. 30-Nov. 1 at Los Angeles.

Prime attention will be paid to ways of streamlining agency operations. A panel consisting of William B. Glassick, Robert E. Battles, and Eugene A. Toale will cover an all-afternoon session on "Cutting Costs in the Agency" and "The Place of Automation in the Agency." This will be followed by an exhibitors reception, which will give convention-goers a chance to explore displays.

Keynote speaker for the convention will be Cooper Cubbedge, Jacksonville, Fla., new president of the national association. His topic will be "The Independent Viewpoint."

A special breakfast meeting will cover "Local Association Public Relations Problems." Myles Smith and Paul Blaisdell of Insurance Information Institute will lead the discussion. Jack Schwartz, who has been called "America's greatest telephone salesman," will handle a session on "More Business by Telephone." Successful California producers W. G. Wilson and Ray Davis will offer ideas on how to produce and retain new business in the personal lines field.

A session on "Elimination of Credit Losses" will be coordinated by James Pingree, with Eugene A. Toale serving as moderator. Keith Presher, William Roskam, and Jay Lloyd will be participants.

Dr. Gilbert Brighouse, a leading educator, will speak on "Recruitment, Employment, and Retention of Manpower in the Insurance Industry." Gleeson Payne, California secretary-treasurer, will give "One Man's Opinion of the Future of the American Agency System."

Two prominent attorneys, Joseph Alioto and Melvin Belli, also are on the program. Mr. Alioto will discuss "The Anti-trust Settlement" and will invite questions on this subject from the audience. Mr. Belli's topic will be "When and What is the Adequate Award."

A greater Los Angeles "I" Day luncheon, sponsored by Insurance Association of Los Angeles, will feature W. Cleon Skousen speaking on "Your Insurance Against Communism."

New associations officers will be installed and annual awards presented.

SB&C

LLP

SEIBELS, BRUCE & COMPANY
PALMETTO BUILDING, COLUMBIA, SOUTH CAROLINA
111 JOHN STREET, NEW YORK 38, NEW YORK

"How a *boat* helped me sell Business Interruption!"

by a New Jersey Insurance Agent

"An $11,000 premium is a nice piece of business ... especially when you're not counting on it!

"I had never given much thought to selling Business Interruption until Cal Dunlop, Production Supervisor of *The American's* Trenton Branch Office, hinted that one of my present customers was a good prospect. Had no luck at first, but Cal kept me enthused.

"Finally, one day I casually mentioned to Cal that my customer carried full coverage on his yacht . . . a sure sign that he valued it highly. Cal suggested I point out to my client how important the continued earnings of his business were in supporting his favorite pastime. A long shot perhaps . . . but it worked!

"Of course I didn't clinch the sale until Cal, along with Fire Manager Harry Beers and Claim Manager Joe Petritus from *The American*, helped me explain all the details of the form to my client and set his mind at ease on some of the finer points of the coverage. It's mighty important to have highly skilled men like them around when you need them. They're part of the reason I'm doing more and more business with *The American!*"

You, too, can help yourself to extra income by taking advantage of *The American's* fine reputation, multiple line facilities and excellent branch office services . . . offering authoritative underwriting, prompt policy-writing, expert engineering, premium auditing and speedy claim attention. Contact your closest branch office. Let us prove to you that *The American* means business . . . MORE BUSINESS FOR YOU.

YOUR Independent Insurance AGENT

THE American Insurance Group 1846

NEWARK 1, NEW JERSEY

The American Insurance Company • American Automobile Insurance Company • Associated Indemnity Corporation

AUTOMOBILE • BONDS • BURGLARY • FIRE & ALLIED LINES • GENERAL LIABILITY • GLASS
GROUP ACCIDENT & HEALTH • INLAND & OCEAN MARINE • MULTIPLE PERIL • WORKMEN'S COMPENSATION

Ready Program For Buyers Fall Parley At Chicago, Nov. 8-10

Panel sessions on the government contractor's exposure to catastrophe risks and management control of the risks of accidental loss will be highlights of the American Management Association's fall insurance conference Nov. 8-10 at Chicago.

The first panel will review catastrophe risks connected with supplying goods or services to the government. Panelists are Kenneth C. Hall, General Electric Co., and Arthur W. Murphy of Baer, Marks, Friedman & Berliner, New York.

Four insurance managers will cover management's responsibility to stockholders in controlling risks of accidental loss, and ways of doing so in companies of all sizes. James C. Cristy, Upjohn Co., will be a participant along with Neill F. Crowley, American Cyanamid Co.; R. H. Lander, Merck & Co., and Gerald J. Rabbett, Charles Pfizer & Co.

Bermuda Companies

Considerations in establishing an off-shore insurance company is the subject of a third panel. This group will focus on the tax, administrative, legal and underwriting aspects of a Bermuda, and David H. Graham of Conyers, Dill & Perman, both of Hamilton, Bermuda, will join Sidney R. Pine of New York City to make up this panel.

Friday's luncheon speaker will be Bradford Smith Jr., president North America.

Other topics will be rehabiliation of accident victims in third-party liability cases, advertisers' liability, use of financial statements in corporate risk analysis, cost controls in employe benefit programs, and checking the corporate insurance program.

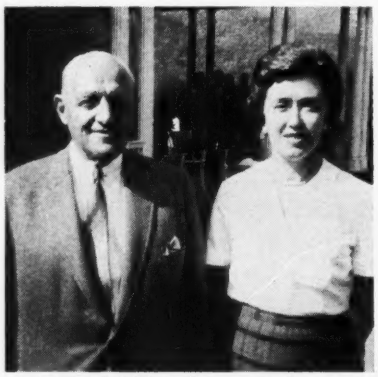
Henry A. Brown, Greenville, S.C., prepares to take on at golf James M. Crawford, vice-president North America.

Three prominent agents: Edward W. Cochran, Hagerstown, Md.; Peyton Daniel, St. Louis, and Victor D. Blakely Topeka.

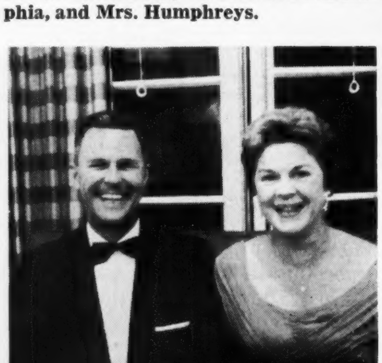
Agents, Company Leaders At White Sulphur Springs

ALL IDENTIFICATIONS FROM LEFT

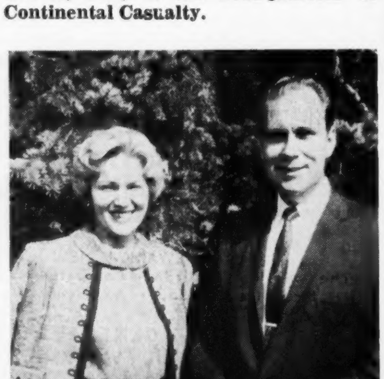
The Paul R. Whitbecks of Cleveland. Mr. Whitbeck is scheduled for election to the presidency of Ohio Assn. of Insurance Agents at its annual meeting.



W. Wright Humphreys, senior partner of Hutchinson, Rivinus of Philadelphia, and Mrs. Humphreys.



The Frank G. Gillinghams of Coral Gables, Fla., at the headquarters of Continental Casualty.



Mr. and Mrs. Douglas N. Avery. Mr. Avery is secretary of Ohio Assn. of Insurance Agents.

The Alfred C. Sinns of Clifton, N. J. Mr. Sinn's agency will mark its 40th anniversary next year.

Mr. and Mrs. John L. Woodworth of Chattanooga.

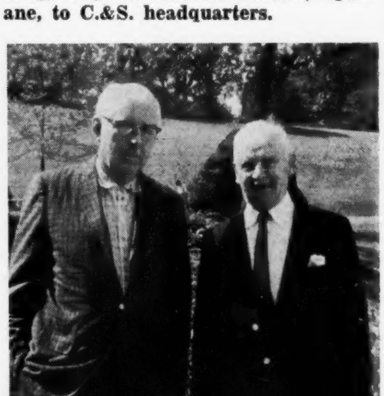
Mr. and Mrs. Jack Conklin Jr., Hackensack, N.J. Mr. Conklin is a new member of the executive committee of the agents' group.

The L. M. Goodspeeds tour the grounds. Mr. Goodspeed is vice-president in charge of investments of Standard Accident.

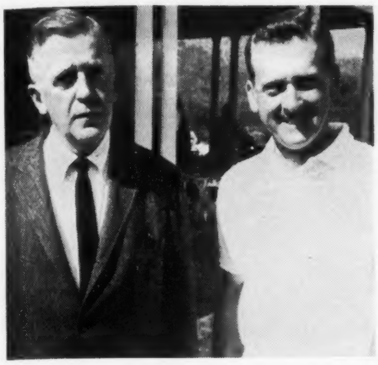
The Harold W. McGees of Los Angeles and Reese F. Hill, vice-president Crum & Forster.

The George Faunces. Mr. Faunce is president of AFCO.

Jack Tucker, Chubb & Son, left, welcomes W. DuVal Campbell Jr., Lynchburg, Va., and Charles Carroll, Spokane, to C.&S. headquarters.



A strong contract bond team: Theodore L. Sedwick, vice-president Standard Accident, and H. F. Witzel, vice-president American Re.



Robert N. Gilmore, general counsel Assn. of Casualty & Surety Companies, with William Leslie Jr., general manager National Bureau.

Harrington In Final Report As Official Of Casualty Agents

In his final report as executive vice-president of National Assn. of Casualty & Surety Agents, C. F. J. Harrington brought his constituency up to date on paramount matters in the business. Although he is continuing as a consultant after retirement on Jan. 1, Mr. Harrington made his last official appearance at the joint meeting of his organization in White Sulphur Springs, W. Va., with National Assn. of Casualty & Surety Executives.

He covered historic and current aspects of rate regulation and advised that if anything is amiss in the present situation it will not be corrected by factional fights in the business. Mr. Harrington reported that the fourth draft of National Assn. of Insurance Commissioners' bill on non-admitted insurers would be delayed until next year. He noted that he has been informed that Superintendent Thacher of New York plans to issue regulations on this subject soon. Mr. Harrington also restated his group's opposition to a model bill but said his board concedes the possible need in some states for a form of regulation to protect buyers and assure payment of taxes.

With his report, Mr. Harrington officially ended a long and distinguished career in the business. He was with Massachusetts Bonding from 1914 to 1917, leaving to join O'Brion, Russell & Co. in Boston. In 1938 he was named Massachusetts commissioner. During his 13 year tenure in this post, he was president of NAIC in 1943-1944. In his most recent assignment he has maintained contact with commissioners and, at their behest, has served on a number of important committees.

—

Keen Competition In White Sulphur Sports

The time honored competitive sporting events were not neglected at the joint meeting in White Sulphur Springs W. Va., of National Assn. of Casualty & Surety Executives and National Assn. of Casualty & Surety Agents, although the gathering had a new and businesslike atmosphere.

In men's golf—in which some of the participants straggled in long after dark—Thomas W. Earls, Cincinnati, was low gross winner, followed by Robert Bowen Sr., Indianapolis, co-chairman of the golf committee. Low net winner was Robert Bowen Jr., Indianapolis. Collier Cobb III, Chapel Hill, N.C., was second and W. W. Cochran, president Reinsurance Corp. of New York, was third.

The ladies' low gross winner was Mrs. Morris Moughon, wife of the prominent Nashville agent. Low net honors went to Mrs. Edward G. Trimble, followed by Mrs. R. J. Vanderbeck and Mrs. Robert L. Braddock. They are the wives of executives of Employers Re, Recording & Statistical and General Re, respectively.

Other Winners

V. D. Blakely, Topeka, took top honors in men's putting. J. C. Hennessy, Louisville, was second; J. M. Crawford, North America, retiring president of the company group, third, and E. B. Gill, vice-president Glens Falls, fourth.

Mrs. E. W. Sunder led the lady putters. Her husband is a leading St. Louis agent. Her runnerup was Mrs. Bromley DeMerritt, wife of the Hartford Steam Boiler executive.

Horse shoe pitching honors went to two company vice-presidents: James MacKay, Fireman's Fund, and Robert Schaller, Continental Casualty. In a neck-and-neck struggle, they edged out T. L. Sedwick, vice-president Standard Accident, and Carl O. Pearson, editor Rough Notes.

—

Farmers Mutual of Mulberry, Ind., has occupied its new home office building, a two-story brick and stone structure. Farmers Mutual is 93 years old and is one of the oldest insurers in Indiana.

Casualty Executives And Agents Convert White Sulphur Meet To Outstanding Event

In its revised 1961 format, the joint gathering at White Sulphur Springs, W. Va., of National Assn. of Casualty & Surety Executives and National Assn. of Casualty & Surety Agents now ranks with the best meetings held in the business.

Those who attended had something to talk about in addition to which iron they used on the 18th hole. They were treated to three days of interesting interchanges of views by company men and producers, mainly on the subject of eliminating prior approval; stimulating talks on foreign credit insurance to be written by an association of 20 companies in cooperation with the Export-Import Bank of Washington; an agency round table discussion; and pertinent comments on the contract bond business.

Burden Of Proof

As reported last week, the agent's unit instructed its incoming officers to seek accord on no prior approval with companies and other interests. While this represented action by "big" agents, who are extremely concerned about the funneling of commercial business into excess markets, it nevertheless was a significant move.

One point only lightly brushed in the joint company-agent conference on eliminating prior approval was the question of whether file and use legislation would shift the burden of proof from the filer to the commissioner. One company association representative maintained that the burden would remain where it is. Commissioners, and particularly the Gerber subcommittee, are not believed to share this view. Mr. Gerber was present at White Sulphur Springs but was not called upon to speak, due to the nature of the meeting.

Thomas H. Bivin, vice-president Great American, described the formation of an association of 20 U. S. insurers to write credit insurance on foreign importers in behalf of domestic exporters. Mr. Bivin emphasized that this venture is in cooperation with Export Import Bank which undertakes the political risk coverage. The program is unique in that the government invited the private insurers to participate, with the ultimate end of having them write all the credit insurance.

At present it is planned that the private insurers will handle 50% of the liability of each commercial risk, with the bank as a 50% coinsurer. The companies have a $1 million stop loss provision. There is also a provision for 15% self insurance by domestic exporters.

Both mutual and stock companies will participate in the association. Many additional companies have expressed interest in the project and will be invited to join. The association is an advisory body, and rates are to be developed. The business will be chanelled through the agency system. A manager and assistant manager will be engaged to run the association, and a board of governors will be named.

William C. Harris, president and U.S. manager Phoenix of London, described credit insurance practices in other countries and stressed the enormous opportunities in this field. He cited the cooperation of private insurers with Export-Import Bank as an outstanding bit of teamwork and a workmanlike solution to complex problems.

Agents' Views Sounded

A constructive innovation at the meeting this year was the agency round table discussion conducted by Peyton Daniel, St. Louis. He propounded a series of questions for responses by agents, while their company brethren sat by invitation on the sidelines as observers and not participants.

Mr. Daniel began with a prickly subject which is rubbing agents the wrong way—sales promotion contests with awards in the form of trips and prizes. One agent pointed out that his agency had participated in such a contest. The handling of business, as usual, gravitated to the office girls who proceeded to "switch" business. This interferes with planned underwriting patterns and is not a wholesome development.

Another agent deplored "switching" in order to win a surf board, a French Poodle or some lawn chairs. A third agent runs his own contests but limits them to new policies sold to new customers. He polices the program rigorously. A younger producer likes contests but will not tolerate switching business in his office. He goes for competition in selling new policies when a company puts new forms on the market.

Favor Life

Mr. Daniel queried the 26 agent participants on their activities in life. A large New York agent set up a life unit seven years ago. It has taken him five years to get rolling. Now he is making more money out of the line than any other. He engaged a man to run this activity on a salary plus profit sharing arrangement. Now he needs another man, and he finds the market thin. Life men have an exaggerated idea of their value in his opinion.

A Baltimore agent found his life man wandering over into his property and casualty lines. Now he is limiting the man to life and asking him to refer general lines to others in the agency.

Another large New York agency has been in life since 1935. It deals with 15 life companies. A New Jersey agent has been in life 20 years with one full time man and is looking for another. The present man operates on a 50-50 commission split, with the agency paying all expenses. This agency will not accept company offers to furnish men for life. It does not want a tie to a single insurer. This agent also finds life the best money maker and advises all agents to get into it.

Of the agents present, most are doing their life business through the life insurer affiliate of fire and casualty companies.

A Washington agent feels that he would be doing his customers an injustice by selling personal life lines or getting into estate planning. He sells group, business life and pension plans. He uses a consulting actuary for specialized counsel. This agent used as many as 15 insurers to secure bids on certain covers.

Discussion Of Markets

Mr. Daniel asked where it is easiest to place surplus and excess lines and evoked an analytic answer from Ellis Carson, president New England Reinsurance Co. He said the "old line" companies have a new look in this regard. They have large surpluses and have decided that they should be used rather than let agents go elsewhere for excess placement.

With regard to property lines, Mr. Carson said there is plenty of domestic capacity for coverage up to $4 or $5 million. He recalled that Chase Manhattan Bank was on a loan on a reinforced concrete building and demanded collapse insurance. With 10 filings in New York, the top figure available was $300,000 whereas the bank was thinking in terms of $15 million. The "difference in conditions clause" was brought into play. This serves to cover the contingency of collapse.

With regard to certain losses under workmen's compensation, Lloyd's probably affords the better market. However, in general, Mr. Carson credits the traditional companies for realizing that where individual underwriting judgment is exercised, a rate can be obtained to make a profit.

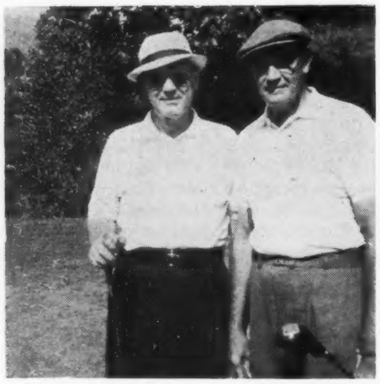
Coverage For Agencies

Mr. Daniel elicited a high opinion of the value of agency electronic accounting from many of the agents. Not only have they been able to reduce staffs, but they know at any given time where they stand in relation to dealings with both customers and companies.

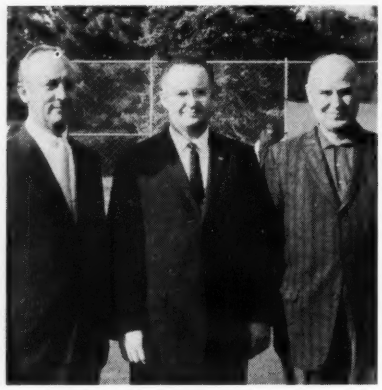
Getting into coverage for agencies, Mr. Daniel asked what the limits would be for fidelity bonds. Three agents said $500,000, and three others recommended $100,000, one agent urging a $25,000 deductible on the latter figure.

On the necessary errors and omissions coverage, two agents nominated $500,000, one stipulating a $5,000 deductible and the other $2,500. Two other agents favored $1 million, one with $10,000 deductible and the other with $5,000. Another agent feels $2 million is required with a $2,500 deductible.

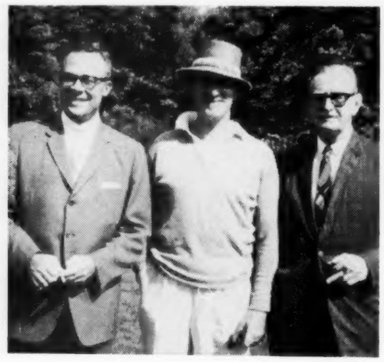
The age-old topic of field men's visits was rapidly dealt with. The concensus was that engineering and rating services are of great value. One agent said he gets a lot out of field men by eliminating chatty calls. He makes an appointment for field men to sit in on his agency sales meetings and help train his producers. The conferees



Headed for the first tee: E. R. Ledbetter, Oklahoma City, and Guy E. Mann, vice-president Aetna Casualty. Mr. Mann is the new president of National Assn. of Casualty & Surety Executives.



Ralpy Neely, Oklahoma City; Robert W. Strain, executive secretary National Assn. of Insurance Agents, and Edgar E. Isaacs, executive vice-president Continental Casualty.



J. Raymond Berry, general counsel of the National Board, flanked by two Hartford Accident executives: Milton R. Bigham, left, assistant to the president, and Manning W. Heard, president.

Mrs. William Leslie Jr. and Mrs. Robert N. Gilmore, wives of the general manager of National Bureau and of the general counsel of Assn. of Casualty & Surety Companies.

agreed that field men's value varies with size and type of agency.

Edwin P. Simon, Chicago, discussed National Bureau's new fleet rating franchise plan with regard to automobiles. This was a highlight of the recent NAIA meet at Dallas. He emphasized that it is a tool to combat fictitious grouping of individual cars.

William P. Leslie Jr. gave point to the latter observation by reading a bulletin of Sherwin Williams Paint Co. to its employes. This said that whereas the company's insurance department formerly handled employe auto coverage, changes such as merit plans and other developments had forced termination of this arrangement. The company had investigated available plans for employes and informed them that Allstate offered the best program both as to rates and facilities.

The company arranged for the insurance which expired Sept. 1 to be bound temporarily in Allstate. The employes are receiving a questionnaire to complete. On acceptance they will be mailed an invoice.

The company bulletin went on to say that Allstate claim service was excellent. The bulletin concluded that if employes wished to obtain their own insurance they were free to do so.

Mr. Leslie was asked if there was any element of pressure in the recommendation he had quoted. He does not think so. Allstate simply talked turkey to the company, he believes. But now the bureau's franchise filing is becoming a reality.

Two reinsurer vice-presidents—H. F. Witzel, American Re, and John P. Madigan, General Re, presented a rundown on contract bonds. Mr. Witzel stressed the need for closer relations between producers and their companies. Producers should know the character of the client and have intimate knowledge of his assets.

Refining Business

Mr. Madigan recalled that 1956 and 1957 were "losing" years in contract bonds, while the two following years were in the black. Another losing trend began in 1960 and will run through 1961, he believes. Mr. Madigan wonders why more companies don't break contract bond experience out of over-all surety figures. The former would often show up in their true colors—very much in the red.

He noted that several companies have cleaned house. One had 2,500 accounts which were scrutinized for slow pay and "third credit." This company eliminated 250 accounts, 167 of them peremptorily. This activity does not make a significant difference to the reinsurer, Mr. Madigan said, since some of that business will come to it through another door. But he is encouraged at the general attempt to improve quality and texture of the book of business.

He emphasized that not every "slow pay" account is a failure, but it is axiomatic that every failure was slow pay.

Mr. Witzel urged screening of new accounts, particularly reasons for moving the business.

Mr. Madigan looks for growth in contract bond business along with general construction growth, and foresees more insurers getting into this business. He looks for better underwriting because management will demand it. More facts will have to be obtained and more attention paid to danger signs. The trend will improve, perhaps by 1962, in his opinion.

New Improved, Big "I" Standard Desk Diary for 1962

ONLY 36-½c Each-

IN 500 LOTS (including Agency imprint and mailing carton)!

Black leatherette cover, wire stitched (not plastic)! Big "I" emblem and your imprint stamped in gold on cover. "Independent Agent" advertising message on flyleaf. Individual mailing carton. (5⅜" x 8⅛").

Complete current month 1" square depicted on each page. Appointments by the half hour on ruled pages for each working day for your added convenience.

138

100—37½¢ ea.
250—37¢ ea.
500—36½¢ ea.
F.O.B. Sidney, New York

GENERAL ADVERTISING SERVICE FOR INSURANCE AGENTS
Unionville, Connecticut

Please send me ________ Big "I" Standard Desk Diaries for 1962.
(Quantity)

Copy for Agency imprint and address as below:

(Name)

(Street)

(City) (Zone) (State)

Telephone No.

☐ Check enclosed ☐ Send invoice

Illustrated is the 1963 cover. 1962 edition still available.

GENERAL ADVERTISING SERVICE FOR INSURANCE AGENTS
Unionville, Connecticut

Looking for better solutions to small-group pension problems?

Better check Nationwide's new RETIREMENT SECURITY PLAN (RSP)®, especially designed for corporations with 3-to-24 employees. No trust agreements—no individual policies—no product development. Nationwide prepares cost estimates and proposals based on brief, simple facts.

RSP® will pay up to $96,000 cash or $670 monthly to key stockholder-employees. Rates and benefits guaranteed for life; death benefit before and after retirement with early disability, too. 20% graded commission. And Nationwide handles all details of installation and administration, provides booklet-certificates to participants—to save you time and expense. There's nothing else like it *anywhere* today!

Ask your nearest Nationwide Group office for descriptive brochure or write Group Pension Sales, Department N, Nationwide Insurance, 246 North High Street, Columbus 16, Ohio.

Find out, too, about Nationwide's new approach to profit-sharing plans and their revised guaranteed interest and purchase rates for Deposit Administration.

IN SERVICE WITH PEOPLE America's most progressive insurance organization NATIONWIDE ...the company that created **SECURANCE**

Nationwide Mutual Insurance Company/Nationwide Life Insurance Company
home office: Columbus, Ohio

Did you know that fire doors cut down your fire losses?

Every time a fire door is installed in a building you insure, the potential risk of serious fire damage is reduced. Fire doors actually protect the insurance company—as well as the building owner—by limiting the spread of fire to its point of origin, sealing off corridors and stairwells from flames and smoke.

This built-in fire protection means that it will pay you to counsel your insureds on the advantages of fire doors. The lower fire risks resulting from the installation of fire doors also give you an opportunity to give your customers more favorable rates.

When you are discussing fire safety with your clients, you can direct them to the most complete fire door line, Overly Fire Barriers—fire tested by Underwriters' Laboratories for every rating in severe fire hazard service. For more information—for you and your customers—write for our booklet on Fire Barriers today.

Overly is represented by agents in all principal cities.

Overly

MANUFACTURING COMPANY

Department FB-2 Greensburg, Pennsylvania

The Overly Fire Barrier featured in this illustration is identical in construction to a prototype tested at Underwriters' Laboratories. U/L inspectors examine our products regularly at our plant to maintain continuing adherence to these standards.

Conventions

Oct. 22-24, Ohio agents, annual, Deshler Hilton Hotel, Columbus.

Oct. 23-25, South Carolina agents, annual, Francis Marion Hotel, Charleston.

Oct. 23-29, Hemispheric Insurance Conference, Lima, Peru.

Oct. 25, National Independent Statistical Service, annual, La Salle Hotel, Chicago.

Oct. 29-31, Tennessee agents, annual, Andrew Jackson Hotel, Nashville.

Oct. 30-Nov. 1, California agents, annual, Biltmore Hotel, Los Angeles.

Nov. 2, Connecticut agents, annual, Statler-Hilton Hotel, Hartford.
Fonda Hotel, Santa Fe.

Nov. 2-3, Nebraska agents, annual, Cornhusker Hotel, Lincoln.

Nov. 5-7, Illinois agents, annual, Chase & Park Plaza Hotels, St. Louis, Mo.

Nov. 8-10, American Management Assn., fall insurance conference, Drake Hotel, Chicago.

Nov. 9-10, Central Claim Executives Assn., Lake Tower Motel, Chicago.

Nov. 12-14, Kentucky agents, annual, Kentucky Hotel, Louisville.

Nov. 12-15, Indiana agents, annual, Claypool Hotel, Indianapolis.

Nov. 13-14, Illinois mutual agents, annual, Pere Marquette Hotel, Peoria.

Nov. 13-15, Health Insurance Assn., individual insurance forum, Sheraton Hotel, Philadelphia.

Nov. 13-15, Mutual Insurance Technical Conference. Edgewater Beach Hotel, Chicago.

Nov. 13-16, National Assn. of Independent Insurers, annual, Hotel Biltmore, Los Angeles.

Nov. 15-17, Casualty Actuarial Society, annual, Palmer House, Chicago.

Nov. 16-17, Conference of Mutual Casualty Companies, accounting & statistical, office methods & personnel conference, Conrad Hilton Hotel, Chicago.

Dec. 4-8, National Assn. of Insurance Commissioners, Adolphus Hotel, Dallas.

Dec. 27-29, American Risk & Insurance Assn., annual, New York City.

—

Actuarial Society Issues Book On Auto Rate Making

Casualty Actuarial Society has made available a new book, Automobile Insurance Rate Making, which covers both liability and PHD. It contains discussions of merit rating, compulsory, and potential improvements in rate making procedures. The book consists of more than 20 papers by leading authorities in the field of automobile rate making, arranged by subject matter.

This is the third of a series being published by the society. The first, Fire Insurance Rate Making, published in 1960, is sold out. Compensation Insurance Rate Making was published earlier this year.

The book on auto rates is $7.50 and can be obtained by writing Albert Z. Skelding, Casualty Actuarial Society, 200 East 42nd Street, New York 17. The book on WC rate making sells for $1.50 and is obtainable at the same address.

—

Lose Subrogation Suit

The federal district court at Memphis has absolved the light, gas, and water division of that city from negligence in connection with the fire at Cordova, Tenn., in October, 1957, which caused damage of $379,307. The suit was brought by Weyerhaeuser Co. of Tacoma and National Fireworks Ordinance Corp. of Massachusetts and was a subrogation action on behalf of 12 insurers.

The two firms charged that the city utility failed to turn off electricity to the building rented by Weyerhaeuser from the fireworks company during blaze.

—

Chicago General Agency Moves

Gore-Youngberg-Carlson, Chicago general agency, has moved its offices to the newly constructed La Salle-Jackson building at 111 West Jackson Boulevard.

Safety Salesman

Yes, he's actually a safety salesman, our engineer. And when he "sells" safety measures, everybody stands to benefit — the agent, the insured and his employees, even the general public.

That's why more and more agents are calling for the Trinity Universal safety engineer. They've learned that he's well-trained, highly competent — a real "pro."

YOUR Insurance Independent AGENT

TRINITY UNIVERSAL INSURANCE COMPANY

Dallas, Texas

SNAP COURSE?

It depends. For example, in our training course, the new agent studies insurance from its basic concepts to its fine print. First, there are 6 to 12 months of private instruction during which his manager provides personal tutoring in both theory and field practice. Then, there are weeks of full-time classroom instruction by the agent's regional office. There are hundreds of hours of homework. And written tests--58 in all--covering auto, life, and fire insurance. It all takes about 2½ years, a healthy supply of energy, and a good deal of black coffee. Yet this is just the beginning. Many State Farm agents go on through C.P.C.U., L.U.T.C., and C.L.U. programs. Snap course? No. But any State Farm agent will admit he's glad that it wasn't. Because it's helped make him Mr. Auto Insurance for 19 years straight, with a new world record of 6,000,000 policyholders.

STATE FARM
Auto Life Fire
INSURANCE

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY and companion companies State Farm Life Insurance Company and State Farm Fire and Casualty Company • Home Offices: Bloomington, Illinois

Ill. Agents' Assn. Program Is Ready For St. Louis Rally

Illinois Assn. of Insurance Agents has completed its program for the annual meeting to be held in St. Louis at the Chase Park Plaza Hotel, Nov. 5-7. This will be the 62nd annual gathering and the first to be held out of the state. To accommodate downstate agents as to distance to travel and yet provide a location large enough to handle a meeting of the size to which this one has grown, St. Louis was the considered choice.

Local Board Workshop

Following a traditional pattern, the meeting will begin on Sunday afternoon with a local board workshop and have for its theme "Fire Prevention and Safety Activities." The main event at this session will be a presentation by Joseph O'Toole, vice-chairman fire

(CONTINUED ON PAGE 40)

West Coast Changes For Security Group

Security group has appointed Joseph G. Gillam manager of the California division, a new position established to consolidate California activities. He formerly was 10 years with General of Seattle. He has been elected a vice-president in the Security group and executive vice-president of Founders.

William J. McGinty becomes president of the California division. He has been transferred from Louisiana, where he was manager of Security.

"Insurance selling is much like golf..."

Says James L. Paxton, Vice President, Paxton Agency, Inc., Zion, Illinois

"... and all three 'pros' in our agency learned the fundamentals at Ætna Casualty's Home Office Sales Course."

"In insurance as in golf you have to learn the *fundamentals* thoroughly as a vital step toward earning the right to call yourself a true *professional. That's why each time we add a new man to our agency, we think it's a 'must' for him to attend Ætna Casualty's Home Office Sales Course.*

"The Sales Course," Mr. Paxton reports, "gives a man the kind of practical knowledge which makes for confidence and poise when he finally gets set to tee off in one of the country's most highly competitive fields.

"Speaking for myself, the Course gave me more insurance knowledge and selling know-how in *five weeks* than I could have gained in *ten years!* With three graduates now in our ranks," concludes Mr. Paxton, "there is no doubt that Ætna Casualty's Sales Course has been a real factor in the sound, steady growth of the Paxton Agency."

Can *your* agency profit by taking on a new man . . . and sending him to Ætna Casualty's Home Office Sales Course? During five weeks of concentrated and rewarding study, he'll acquire the knowledge, sales techniques and self-confidence necessary to become a professional in the full sense of the word. For full details, contact your nearest Ætna Casualty Office.

Agency Building Is Our Business

ÆTNA CASUALTY

Quality INSURANCE for individual, family, business, home and other possessions

YOUR Independent Insurance AGENT SERVES YOU FIRST

P.S.* *Personal Service

Ætna Casualty and Surety Company • Hartford 15, Conn. • *Affiliated with* Ætna Life Insurance Company • Standard Fire Insurance Company • The Excelsior Life, Canada

Many Big Bank Frauds Can Be Prevented

In 1960 more than 70% of all bank embezzlements involving more than $100,000 took place in banks where the three basic anti-fraud deterrents were not all enforced (compulsory two-week vacations, segregation of duties, and rotation of duties), John N. Raleigh, technical division director of National Assn. of Bank Auditors and Controllers, told the junior bankers conference of Georgia Bankers Assn. at a meeting in Athens.

Of 175 fraud cases reported last year, Mr. Raleigh said, 36 involved amounts of $100,000 or more, 25 violated all three fraud-deterrents, seven violated two points, and three involved violation of one of the three points. Thus 69% of the frauds would have been avoided had compulsory two-week vacations been required, 78% would not have occurred had duties been properly segregated, and 84% of them would have been prevented had there been proper rotation of duties. He noted that 32 of the 36 cases were committed by bank officers while only four were engineered by lesser employes.

Can Prevent Most

A bank may not always win the fight against the embezzler, but if it takes action to stop the big one, it can win most of these battles, and when it loses it won't lose much, he said. Enforcement of vacations of two consecutive weeks is a vitally important point, yet banks do not enforce it. A bank may feel that such a vacation policy is fine for employes but not for officers.

He described the national loss prevention program being conducted by local NABAC conferences, in many cases in cooperation with state banking associations. This clinic covers seven hours of detailed instruction. More than 50 of 193 local conferences either already have presented, or have scheduled, such a clinic. If all 193 conferences present the clinic, the message on methods to detect and prevent internal fraud will be heard by between 14,000 and 20,000 bank officers and employes by mid-1962.

Cincinnati CPCUs Hear Data Processor User

History and current development of computers for data processing by Hardware Mutuals were discussed at a meeting of the Cincinnati chapter of CPCU. The report was given by Donald B. Furst, office manager at Cincinnati of Hardware Mutuals, who described the use of various computers by his companies including the IBM 7070, currently in operation. Special attention was accorded procedures for policy rating, exception underwriting, loss payment, payroll, accounts receivable and other related items.

Bituminous Names Five

Bituminous Casualty has appointed as claims managers Joseph M. Lavin at Pittsburgh, John Groh Jr. at Philadelphia, Earl J. Simons at Indianapolis, and Robert E. Long at Dallas. Robert W. Crenshaw has been transferred from Aurora, Ill., to Chicago.

C. A. Lambrecht and **M. B. Baker Jr.**, deputy U. S. managers of Commercial Union-North British have been elected directors of Commercial Union of New York and Columbia Casualty.

YOU DON'T HAVE TO BE A GROUP EXPERT TO SELL THIS MAJOR INA "FRINGE BENEFIT"

Ten employees, or ten thousand—voluntary contract is easy to sell

Since the Insurance Company of North America's OK Accident Policy was announced recently, agents and brokers have sold it with ease to organizations of all kinds and sizes.

The reasons for the success of this unique accidental death and dismemberment group contract are simple:

1. **Management wants it.** This new contract is so ideally suited to the requirements of so many concerns that it meets zero sales resistance.
2. **It costs management nothing** yet it gives management a big chance to help their employees, after machinery is geared to make a payroll deduction. The employee assumes the full cost, pays all premiums.
3. **"Voluntary" is the key word.** In companies which have adopted it, an average of 60% of those to whom it was offered have signed up.
4. **It is flexible.** The OK Policy can be written for groups as small as ten, as big as 20,000 or more. Its coverage limits span the spectrum from $5000 to $100,000.

The market starts with firms which employ ten or more people, also includes federal, state and local government agencies, plus many associations and educational institutions.

Participating companies have found interest at all levels of their organizations, not only among those with hazardous jobs. As one executive commented, "Stenographers trip over open file drawers, too, we've found."

The OK Policy has all of the advantages of group accident and sickness contracts with none of the limitations. Outstanding features are: non-underwriting of individuals, no participation requirements and the simplicity of the contract itself.

Best of all, the OK Policy is a prime income producer for the agent or broker who sells it.

The professional A & S man in your nearest INA Service Office is the best source of further information on the OK Policy. He can also describe INA's facilities for Business Travel and Salary Continuance. Or, send the coupon direct to INA. Either way, don't wait to claim your share of this promising new market.

For the best in A & S—INA.

INA, Dept. N10
World Headquarters, 1600 Arch St., Philadelphia 1, Pa.

Gentlemen: I have commercial accounts and prospects who would be interested in INA's OK Accident Policy. Please send me full details.

Name__________

Firm__________

Address__________

City_____ Zone _____ State_____

INSURANCE BY NORTH AMERICA
Insurance Company of North America
Life Insurance Company of North America
World Headquarters: Philadelphia

INA

Contractors Often Can Be Kept Out Of Trouble By Proper Financial Statements

M. J. Schuetz Sr., Indianapolis agent who long has dealt with contract bonds, believes that much of the difficulty in which contractors have found themselves in the last two or three years—to the great cost of sureties—is due to improper preparation of contractors' financial statements. Some time ago he prepared an analysis of the subject. His major points are given herewith:

After many years of observation of the physical circumstances in the construction field, I have concluded that there is need for a better coordination of methods of construction accounting. We have found so many instances in which the accountants of contractors have prepared financial statements for their clients with "liquid assets" and "liquid liabilities," but with the items composing these seldom meaning the same thing in the statements prepared by different accountants.

There are many who agree this difference in meanings could be eliminated with benefit to everyone concerned, including surety executives and financial institutions.

Need Interpretation

The writer is a graduate accountant, though not practicing the art of accountancy for the general public because of being sidetracked into the surety business several decades ago. In dealing with surety bond credit for contractors, I have observed many financial statements of contractors, prepared by capable accountants, which almost without exception required additional interpretation. Yet any statement that does not speak for itself, either in terms or arrangement of figures so that a layman may understand its meaning, is not as good a statement as can be prepared.

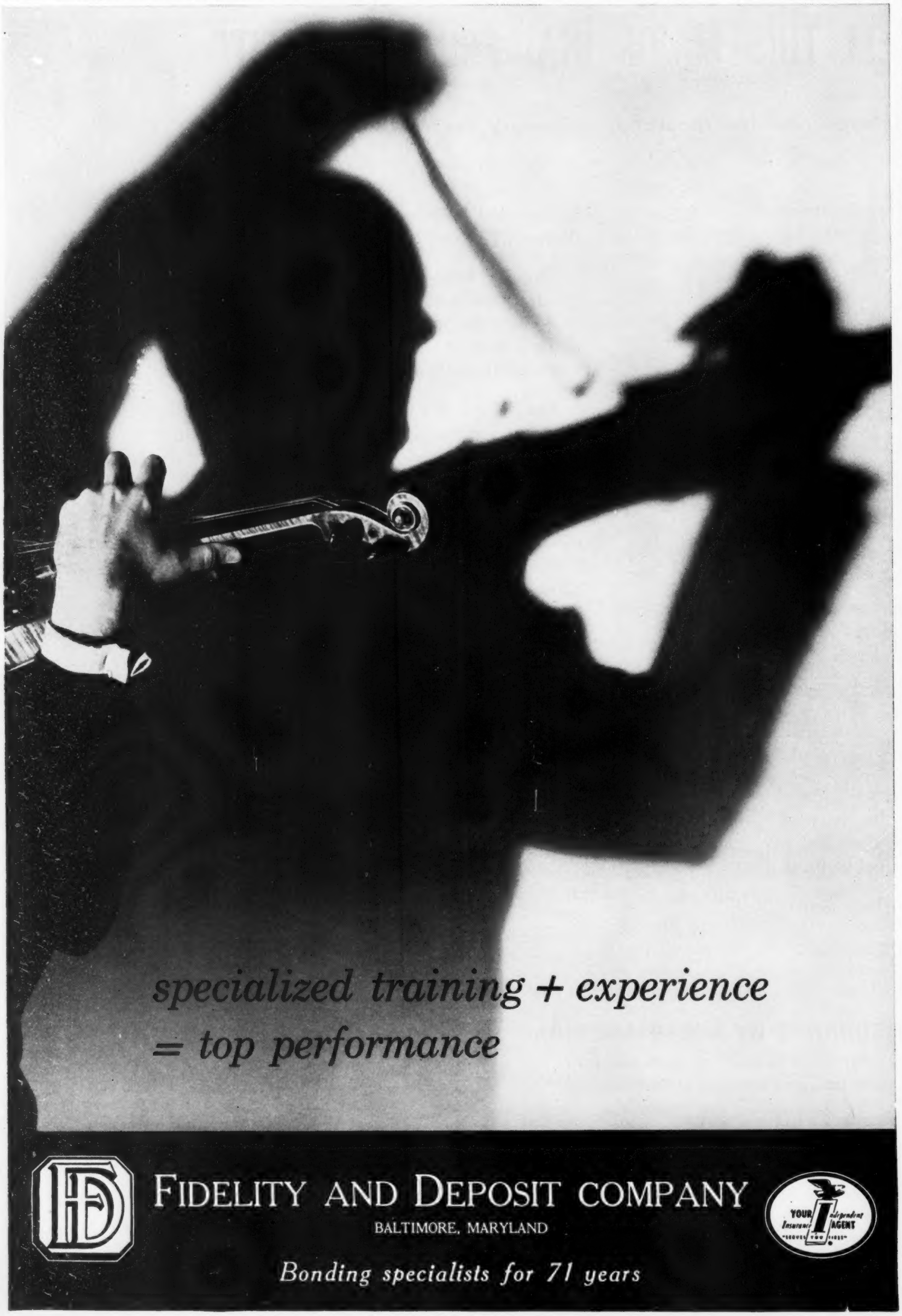
The diversion of meanings is the cause of much confusion and uncertainty when being reviewed and evaluated for credit purposes. This is particularly true where banks are scrutinizing the statements, as well as in cases where bonding credit is being sought by contractors. In some cases reviewed the accountant had included in current assets the total of all contracts undertaken by the contractor, probably on the theory that the signed contract represented a bankable commitment by the owner. In current liability the accountant would then enter the amounts completed—thereby sweeping into the working capital a difference in favor of the contractor, inflating that item in a manner unsupported by the facts or equity.

Conditional Promises

In the absence of any definite rule or precedent to follow, many accountants can be excused for interpreting the signed contracts in this manner. However, the hard fact remains that signed contracts are not an absolute promise or commitment by an owner to pay the contractor, in the sense that signing a 30-day note to pay would be. Construction contracts are, in fact, only conditional promises to pay. The condition nearly always present is that payment will be made only after the contractor has earned the sum or sums of payment by performing a portion or all of the contract. With this condition as a required fact before any payment is made, it obviously precludes treating these contracts as a bankable, realizable liquid asset.

It also seems to be the procedure of some accountants to set up on the owners' books the reverse of what is set up on the contractors' books. In one case a contractor claimed $23,000 from the owner for work performed the previous month in a statement to his bank and surety. When the surety tried to verify the item, the owner objected to confirming the item because "his books showed he still owed the contractors almost $55,000," which is a considerably larger item than the

(CONTINUED ON PAGE 46)



OTIS CLARK & CO.
Reinsurance
FACULTATIVE
•
TREATY
•
EXCESS
•
206 SANSOME ST.
SAN FRANCISCO 4
PHONE EXbrook 2-8168

NATIONAL UNION INSURANCE COMPANIES GONE FISSION...AT SHIPPINGPORT

From the very first, National Union has been a principal participant in the insurance program required to cover the world's first full-scale atomic power plant devoted exclusively to civilian needs. Located at Shippingport, Pennsylvania, the plant is operated by Duquesne Light Company, for whom a special manuscript cover policy was developed to suit the needs and special qualifications required for this completely new concept in public utility power.

Many of the special personnel . . . much of the competent underwriting advice was supplied by National Union. This program was developed and written by an Independent Agent, typical of those representing National Union Insurance Companies.

National Union Insurance Companies
Pittsburgh, Pa.
Casualty · Fire · Inland Marine · Ocean Marine

Sees Solicitors As Solution To Problems

Up to now the agency system hasn't thought much of solicitors. If agents had them at all, they were only tolerated and sometimes were simply an excuse for legal rebating. Even the name indicated that they were considerably below agents in status. Arthur O'Connell, Cincinnati agent, expressed these views in a talk at the annual meeting in Baltimore of Maryland Assn. of Insurance Agents.

"Suddenly, dramatically, the solicitor comes into his own. He is important to all of us. We need him and we must set about creating rules to guide him as he becomes more and more a part of the agency system," Mr. O'Connell declared.

In a small community, where all competition is more or less on the same level, the agent might live out a happy, prosperous existence but as soon as someone comes into the picture who "sells and sells and sells" while the agent takes care of his office chores, the odds will be against him unless he too can send his representatives into the marketplace.

Mr. O'Connell said he spoke with some experience because his firm has a dozen or more young men who have entered the business within the last four or five years and who have not yet had time to find out "what a predicament the business is in." These young fellows are not satisfied with a customer's fire insurance or his automobile or perhaps his burglary policy. Whether the customer knows it or not, he is an "account," a source of constant, steady premium income in exchange for constant, steady advice on all matters having to do with insurance.

Perhaps the most eye opening phase of the solicitors' development has been their easy adaptability to new policies, new forms, new systems and the new regulations or lack of regulations that are such an abomination to "old timers." Mr. O'Connell is also amazed at how easily these men adapt themselves to the solicitation and production of life. Many agents still pretend that they never heard of life except to buy it occasionally, but it's a real good business, it's been going on for a long time and it will probably be here for a long time to come.

Adept In Life

Mr. O'Connell has not become a life producer but he watches the solicitors who take it as a matter of course, and he can see that in many instances life is quite superior to his own idea of good business. There aren't many claims, usually only one to a customer, and there aren't any 2A or 2C classifications in life insurance, "because the younger they are the better the company likes them and the cheaper they buy it." There is no credit on life insurance, no renewals to worry about, the company does all the work and the agent gets something out of it for years and years.

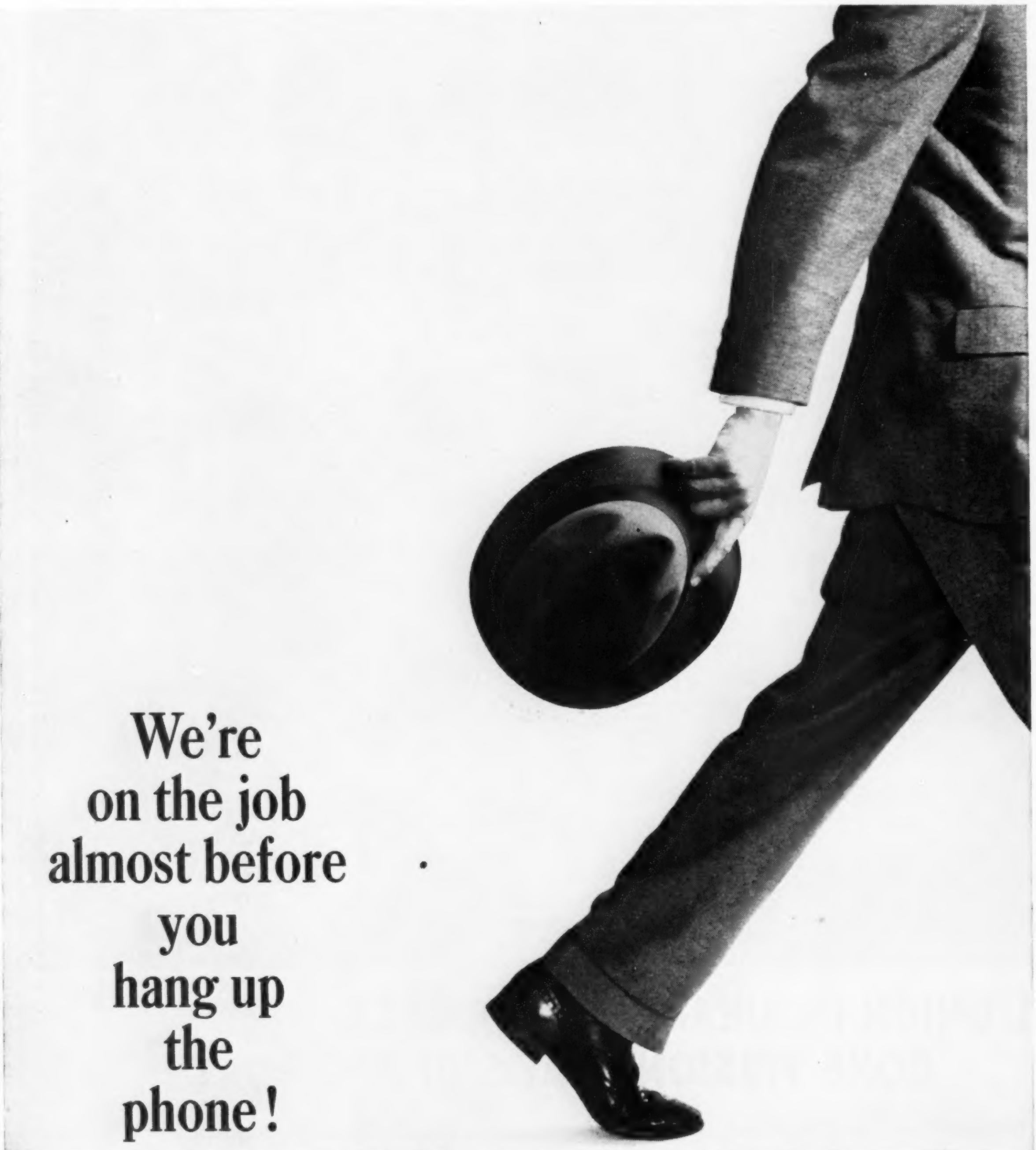
Mr. O'Connell's firm qualifies its solicitors very carefully and he suggests that other agents do so. "Don't worry about him stealing your expirations—it rarely happens. Concentrate on young men from 25 to 35, married,

(CONTINUED ON PAGE 56)

Opens Fla. Facility

American International Marine Agency of New York has formed A.I.M.A. of Florida to serve the southeast. The new firm will provide underwriting and loss services in this area for American Home, Birmingham Fire, Fidelity & Guaranty Underwriters, Fidelity of Canada, Granite State, State of Pennsylvania, Millers National, National Union, Netherlands, New Hampshire, Northwestern National, and U.S.F.&G., whose marine business is managed by the A.I.M.A. of New York.

Offices will be in the Atlantic Coastline Building, Jacksonville, under the management of Marshall D. Clagett, vice-president. Before joining A.I.M.A. he was a partner of Spawr-Clagett & Co., New Orleans, and for 10 years prior to that was ocean marine underwriter of Cravens-Dargan & Co., Houston. He was formerly a member of the port advisory council at Houston and New Orleans.



Our more than 50 offices are staffed with men who are not only quick, but experienced, knowledgeable and fully-trained, too. And best of all, they're ready to help you with all your insurance problems. Our speedy service and fast claims settlement are just two reasons why we say: We write 27 different kinds of insurance, but we have only one policy—satisfaction! Please try us.

AMERICAN SURETY COMPANY / PACIFIC NATIONAL FIRE INSURANCE CO.

Administrative Offices: 100 Broadway, New York 5, New York

Malpractice

You can depend upon our specialized experience in this highly technical field of liability coverage.

Competitive Rates For

Hospitals
Sanitariums
Nursing Homes
Physicians & Surgeons
Beauty Shops

Wm. K. O'Connor & Co.

53 West Jackson Blvd.
Chicago 4, Ill.
HArrison 7-1721

REINSURANCE

Where Business goes
Insurance follows

Where Insurance goes
Reinsurance follows

Continuous teamwork to
sustain capacity and
security for American
Free Enterprise

There's always a job for
Reinsurance!

MULTIPLE LINES

EMPLOYERS REINSURANCE CORPORATION

KANSAS CITY, MISSOURI
21 West 10th St.

NEW YORK	CHICAGO	SAN FRANCISCO
107 William St.	175 W. Jackson	100 Bush St.

Canadian Buyer Analyzes Role Of Risk Manager In Modern Times

The complexities of modern business and taxation, and the gradual squeeze on profits due to rising costs has changed the old concept of corporate insurance administration, according to Alan A. Sharp, assistant secretary Distillers Corp.—Seagrams Ltd. In a talk of the Risk Management Institute at University of Connecticut, he said that the person charged with the responsibility of risk analysis or risk management in a corporation should be, and in most cases is part of the management team. This is essential if he is to do the job expected of him.

The risk or insurance manager must be someone who has a thorough knowledge of the assets of the corporation. He must be fully conversant with the company's entire operations, including purchasing, production, sales, safety and fire prevention programs. These are the basic essentials with which a risk manager must familiarize himself in order to be able to make a proper analysis of the hazards involved in the company's operations. To accomplish this, he must be able to discuss and review these functions with the heads of operating departments or divisions. Proper risk analysis can only be accomplished if the person charged with that responsibility is in fact a part of management.

The basic function of corporate insurance management is to protect the company's assets and income due to accidental hazards such as fire or explosion, lightning, flood, windstorm, personal injuries and business interruption, to mention a few. If cost were no object, it would be a fairly simple matter to provide insurance for almost all known possible losses. However, since cost is of paramount importance, a different approach to insurance coverages is required. This approach, which is dictated by good business and sound judgment, is what comprises risk management or risk analysis, Mr. Sharp said.

Risk analysis aims to discover by inspection or research the full extent of the possible loss. An analysis will indicate or prove that some risks can be prevented, while others cannot.

After an analysis has been made of all the risks, they should be pointed out to management, with recommendations on ways and means of controlling those losses, which are economically feasible to control. The control of losses in most companies will fall to the safety engineering and fire protection departments, which may or may not come under the jurisdiction of the insurance administrator. If these departments are not a part of the insurance or risk department, then it will be most essential for the insurance officer to work in close cooperation with them and vice versa.

Measuring Costs

Regarding the costs involved to control losses, Mr. Sharp said that a further analysis should be made to determine whether the expenditures are warranted. He noted that part of the premium dollar is spent by underwriters for inspections and for loss prevention purposes.

The task of determining the costs to control losses should fall to the risk

(CONTINUED ON PAGE 38)

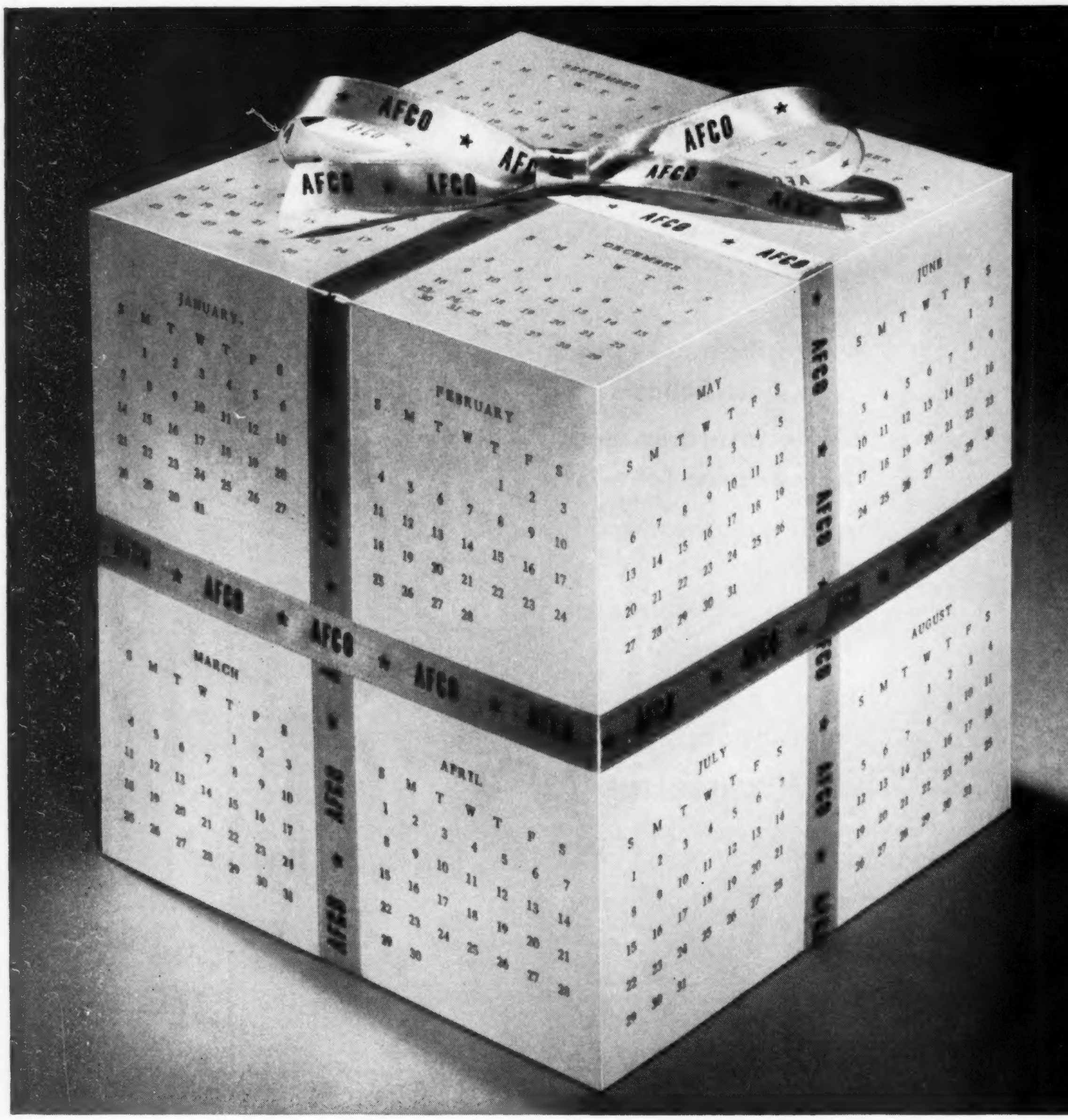
View Premium Financing By Producers In Cal.

A broker or agent need not be licensed to finance premiums under the California small loan act if the financing is incidental to the transaction of insurance business. This was the opinion given in a recent letter from J. A. Metzler, supervising deputy of the state division of corporations to Merritt Moselle, vice-president Insurance Brokers Assn. of California.

In giving his opinion, Mr. Metzler cited the reply of the attorney general to a similar question by the California commissioner in 1940. Mr. Metzler emphasized that the basis of the attorney general's ruling was that the lending activity of the broker was a mere incident to the transaction of insurance business. Therefore, if the loan volume is of such size that the lending activity is an additional business in which the broker is engaged, he believes a license would be required. This result would follow even though the broker limits his lending activity to cases where the policy is written through his own office.

Kemper Agent Films Carla Rescue

While Hurricane Carla whipped up high winds, Bryan Lumpkin, agent of Kemper group at Lake Charles, La., photographed a life-saving episode in front of his home. He used a movie camera won in a Kemper sales contest to film an electric line crewman rescuing a co-worker who dangled unconscious 40 feet in the air.



Right size package for any commercial account

No commercial account is too big to handle when you offer Afco's low-cost premium budgeting facilities to prospects.

For example, not long ago a broker financed a single account through Afco with *premiums close to $3 million.*

Through Afco's convenient premium budgeting the businessman avoids irregular payment dates and large lump-sum payments that drain off working capital. You can quickly provide premium financing at competitive rates on all commercial coverages. One, three and five-year policies of any of Afco's hundreds of subscribing companies, plus others including Lloyd's London, can be packaged in one account—custom-tailored to suit your insured.

Afco can boost your sales, help you earn larger commissions. Join the many thousands of agents and brokers who have already budgeted hundreds of millions in commercial and individual premiums through Afco. Get in touch now with the manager of the Afco office nearest you.

AFCO

ATLANTA
1182 W. Peachtree St., N.W., Atlanta 9, Ga.
BALTIMORE
201 E. Baltimore St., Baltimore 3, Md.
CHICAGO
327 So. La Salle St., Chicago 4, Ill.
KANSAS CITY
P. O. Box 8788, Kansas City 14, Mo.
LOS ANGELES
548 So. Spring St., Los Angeles 13, Calif.
MIAMI
1036 S. W. First St., Miami 36, Fla.
NEW YORK
100 William St., New York 38, N. Y.
SAN FRANCISCO
142 Sansome St., San Francisco 4, Calif.

Assn. Of Fire Chiefs Meets, Elects Officers

International Assn. of Fire Chiefs at its annual convention in Las Vegas elected Edward F. Deigman, Elizabeth, N. J., president and Lewis A. Marshall, Providence, and Paul Gandara, Puerto Rico, vice-presidents.

Among speakers at the meeting were H. Edward Russell, intermountain director of disaster services American Red Cross; Francis L. Brannigan, fire and safety director AEC, Frank B. Ellis, director of Office of Civil Defense mobilization, E .W. Fowler, chief engineer National Board, and J. Roger Dess, public relations director American Can Co.

A workshop forum spotlighted problems of volunteer departments, experimentation and research in the fire service, job classification and transportation of hazardous materials.

—

$5 Million Worth Of Pickers

Deere & Co. sent 441 mechanical cotton picking machines from Des Moines to Atlanta in one shipment recently to dramatize the change from hand to mechanical cotton picking. The 110 railroad cars constituted one of the largest shipments in railroad history. A special North American trip transit policy, written by the Oakleaf-Tarbox Agency of Moline, Ill., covered the $5.5 million load.

The shipment via Louisville & Nashville Railroad was covered extensively by newspapers and TV.

—

American Casualty has named Endre Z. Varga bond manager at Cleveland. He succeeds James J. Noble, who has been promoted to the home office bond department.

Holds For Insured In Dwelling Collapse

The California supreme court reversed a lower court verdict and ordered the insurer to pay for the damages caused to the wing of a house by "settling." The case was that of Prickett vs Royal, reported in 10 CCH (Fire & Casualty) 1025.

Insured, Gene Prickett, testified that at the time he purchased the residence in San Pedro an inspection revealed no defect in the walls or foundations. But five years later, on March 10, 1958, he returned home in the evening and found that since that morning the west wing had sunk five to seven inches on one side and 12 inches on the other. The wall had opened in several places and the radiant heating pipes were ruptured.

Over $7,550 In Repairs

Other testimony was to the effect that the wing rested on land which been filled to a depth of 35 feet with improperly compacted soil. Prickett estimated costs of repairs at more than $7,550.

The comprehensive dwelling policy excluded "normal settling." The lower court held that what had happened was "normal settling."

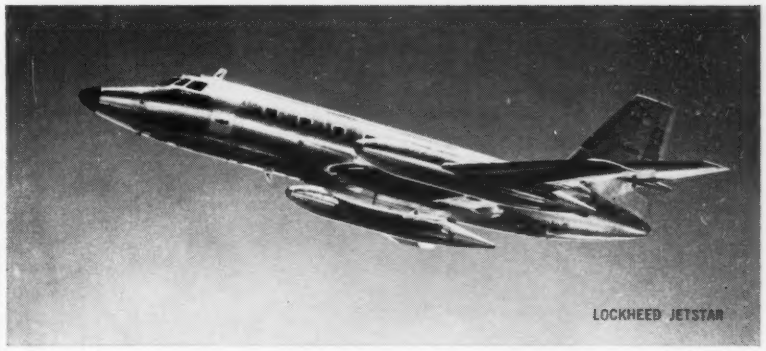
The supreme court did not regard the 12-inch drop of a wall, accompanied by open breaks and the decommissioning of the heating system, as "normal settling," especially when these events took place suddenly without warning or previous visible indication.

Brown & Crisham of Long Beach represented insured, and Thomas P. Menzies and James O. White of Los Angeles the insurer.

SURPLUS LINES
Retrospective
Physical Damage
•
General Liability
•
Fire

EXCESS LIABILITY
Auto Liability
•
General Liability
•
Limits Above
Assigned Risk

A member of the Cosmopolitan Group
Cosmopolitan Insurance Company
A multiple line stock company
4620 North Sheridan Road • EDgewater 4-7940 • Chicago 40, Illinois


LOCKHEED JETSTAR

VISIBILITY

PIPER COLT

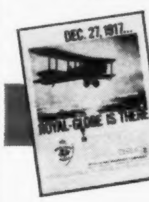
UNLIMITED

In **1917** a Royal-Globe company had the vision to design and write America's first aviation physical damage policy.

With **today's** U. S. civilian market comprising 111,580 aircraft, 6,881 airports and 758,368 licensed pilots, Royal-Globe continues to lead, as an *independent* aviation underwriter specializing in industrial, business and pleasure aircraft.

Royal-Globe has aviation special representatives spotted throughout the United States, ready to help Royal-Globe agents solicit and write aviation insurance.

Is your "visibility unlimited?"



As seen in SATURDAY EVENING POST and TIME

ROYAL-GLOBE
INSURANCE COMPANIES New York 38, New York

ROYAL INSURANCE COMPANY, LTD. · THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY LTD. · ROYAL INDEMNITY COMPANY · GLOBE INDEMNITY COMPANY · QUEEN INSURANCE COMPANY OF AMERICA · NEWARK INSURANCE COMPANY · AMERICAN AND FOREIGN INSURANCE COMPANY · THE BRITISH & FOREIGN MARINE INSURANCE COMPANY LTD. · THAMES & MERSEY MARINE INSURANCE COMPANY, LTD.

Swiss Re Appoints Falk Vice-President

Swiss Re Corp., New York, has elected Peter D. Falk vice-president. He has been financial vice-president of Crum & Forster for six years and prior to that was with New England Life from 1951 to 1954. He was with Sun Life of Canada from 1938 to 1951.

Swiss Re is the investment adviser of Swiss Re of Zurich and its affiliated insurers—the U. S. branch of Swiss Re, North American Re, North American Reassurance, Canadian Re, Canadian Reassurance, and the Canadian branch of Swiss Re.

—

Cooperate On State Fair

More than 120 insurance people cooperated to man an exhibit booth at the Tennessee state fair in Nashville. The effort was sponsored by Insurors of Tennessee and the Tennessee department of safety. They were aided by Insurors of Nashville, Insurance Women of Nashville, and Tennessee Capital Stock Assn. in furnishing 40 persons during the week's showing of safety equipment at the booth.

New driver testing equipment was furnished through Tennessee Highway Patrol. More than 800 persons were tested for reaction ability, distance judgment, field of vision, steadiness, and night sight. Those in charge of the booth also used for the first time the exhibit kit developed by Insurance Information Institute.

—

Standard Accident has added George B. Iverson to its engineering staff in Michigan and northern Ohio.

Four GAB Changes In Western States

George J. Burg, adjuster for General Adjustment Bureau at Los Angeles, has retired after 38 years with the bureau. He started in Los Angeles as an examiner.

Gerald B. Ryan has been appointed manager of the Monterey office, which has been given full branch status. Formerly it was a resident office under the Salina branch. Mr. Ryan had been an adjuster at San Francisco since 1960. He joined the bureau at Fresno in 1958.

Robert L. Byrd has been named manager at Gallup, N. M. He had been an adjuster at Santa Fe since 1956, when he joined the bureau.

A. B. Taillard, who has been handling major casualty claims at Salt Lake City, has been transferred to Pueblo, Colo. He went with the bureau at Tucson in 1951 after five years as an independent adjuster.

—

Eastman Handling Hartford Fire Education In NW

Donald C. Eastman has been appointed coordinator of the staff education program in the northwestern department of Hartford Fire group at Minneapolis. In the newly-created position he will direct a program for training and developing employes. Arnold W. Melander, staff education director at the home office in Hartford, is assisting administrators of educational programs in departmental offices throughout the country.

With the group since 1941, Mr. Eastman served in underwriting positions at the western department in Chicago, as a special agent at North Platte, Neb., and as office manager at Des Moines. He was named assistant office manager at Minneapolis earlier this year.

—

Bill To KO Compulsory

Commissioner Whitney of Massachusetts has filed a bill in the state legislature to repeal the compulsory auto law and substitute for it a financial responsibility measure. Limits under the FR law would be 5/10/1.

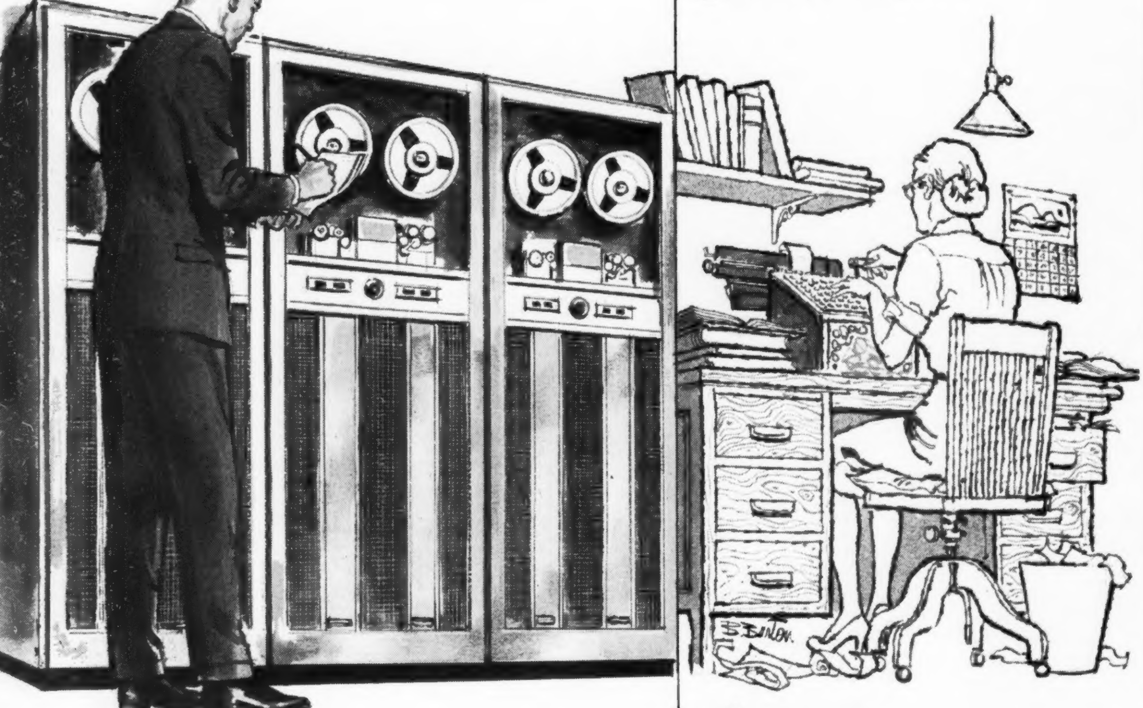
The bill would permit insurers to charge different rates. Compulsory cover would continue for commercial vehicles. On private passenger cars, uninsured motorist coverage would be available. The state would gather and promulgate rating statistics. The bill would become effective Jan. 1, 1963.

—

Gay & Taylor Promotions

Gay & Taylor, adjusters of Winston-Salem, N. C., has promoted Henry P. Glenn to vice-president in charge of North Carolina and Virginia. He has been with the company for 14 years. James E. Gay III has been advanced to branch manager at Winston-Salem. He joined the company 3½ years ago.

you're doing great, but...

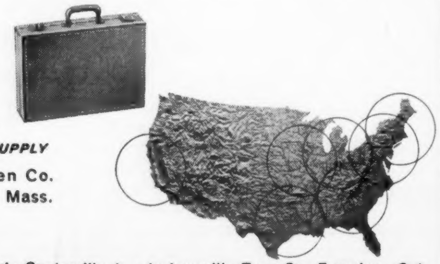


when are you going to finish?

Your company has been able to turn up important sources of savings by developing better, more efficient ways to handle the insurance aspects of your business. But still more dramatic savings can be realized when you apply the same principles of efficiency to such *non-insurance* functions as forms printing, handling and distribution.

Companies of all sizes, operating both nationally and regionally, use Uniform's exclusive Golden Circle System to realize these savings, and bring fast, modern service to their field forces, at lowest cost.

The six Golden Circle System services...*forms design, printing, storage, imprinting, distribution and inventory control*...can be combined to streamline your policy and forms handling operations, too. Find out now about the savings in time, cost and space which today's most modern forms handling method can bring to you. ***Get the facts in the CASE from your Uniform Representative.***



Uniform PRINTING & SUPPLY
Division of Courier-Citizen Co.
165 Jackson Street, Lowell, Mass.

Golden Circle System Supply Centers:
Lowell, Mass. • Allentown, Pa. • Gainesville, Ga. • Kendallville, Ind. • Centerville, Ia. • Jacksonville, Tex. • San Francisco, Cal.

REINSURANCE
TREATY · FACULTATIVE
EXCESS · CATASTROPHE

URS

Keyed To Your Underwriting Needs

UNDERWRITERS REINSURANCE SERVICE, INC.
Telephone Trinity 2-4737 | 1371 Peachtree Street, N. E., Atlanta 9, Ga. George W. Campbell Jr., President | Cable Address Reinsure-Atlanta

Tompkins Is Named V-P Of Starr & Co.

James M. Tompkins has been elected a vice-president of C. V. Starr & Co., senior policy corporation of American International Underwriters group. He joined Starr & Co. in 1949 as director of personnel. From 1952 to 1954 he carried out special assignments in Latin America and then became regional manager of AIU for India, Pakistan and Ceylon, based in Karachi. Moving to Beirut in 1957 as regional vice-president of the AIU Mediterranean, he supervised the group's operations in the Middle and Near East.


James M. Tompkins

He was with Vick Chemical Co. before joining AIU. He was named assistant vice-president of Starr & Co. and vice-president of AIU in 1960 with headquarters in Tokyo. He is moving to New York to assume his new position.

Brenna Heads Marine Unit Of GAB At Chicago

L. V. Brenna has been appointed by General Adjustment Bureau to manager of the marine division in the Chicago departmental office, effective Nov. 1. Mr. Brenna has been a general adjuster of GAB at Minneapolis for the past year and before that was manager at Dubuque. He has also served at Burlington, Ia.

Turner Bond Claim Head Of Aetna Cas.

Blaney C. Turner has been named secretary, claim department, by Aetna Casualty and Standard Fire. He was appointed assistant secretary earlier this year. He will head the bond claim division. He joined the organization at Cleveland in 1926. Subsequently he served in supervisory positions in the Cleveland claim department and was administrative assistant for four years before going to the home office.

GAB In Manager Changes

General Adjustment Bureau has appointed Robert J. Bicknell assistant manager of the metropolitan New York office, Edward E. Reiser manager at Patchogue, N. Y., and Richard O. Garretson manager at Thornwood, N. Y.

Mr. Bicknell joined GAB at New York in 1954. In 1960 he became inland marine manager of the metropolitan office.

Mr. Reiser succeeds Clyde E. Culp at Patchogue. Mr. Garretson succeeds Mr. Reiser at Thornwood. Mr. Reiser joined GAB at Patchogue in 1952 and was promoted to manager at Thornwood in 1960. Mr. Garretson went with the organization in 1950 at White Plains and in 1960 was transferred to Thornwood, where he has been senior adjuster handling larger fire and inland marine losses.

Roane Has Staunton Office

John Roane Inc., independent adjusting firm, has established a resident adjuster in Staunton, Va., James W. Hargreaves. For three weeks he was at the Norfolk office learning procedure and methods.

The Staunton office will cover the territory 50 miles north, linking up with the territory covered by the Roane office at Winchester, Va., and 50 miles south, connecting with the territory covered by the Roanoke office. The Roane organization also has Virginia offices at Bristol, Danville, and Newport News. The Washington, D. C., office covers part of Virginia.

Rochester (N.Y.) Claims Service has moved into larger quarters at 16 Hinchey Road.

Keltner Is Oakland Head As Cobb Retires

America Fore Loyalty has appointed George K. Keltner manager of the consolidated Oakland service office. He succeeds Haral H. Cobb, who has retired after 39 years of service, 29 of them as manager at Oakland.

Mr. Keltner has been with the group since 1940, when he started in the San Francisco underwriting department. He was transferred to Oakland in 1947. Since then he has served there in key positions, including manager of the America Fore fire companies.

Mr. Cobb joined Loyalty in 1921, and was special agent at Los Angeles before he was transferred to Oakland as managers in 1932. He is a past MLG of the San Francisco pond of Blue Goose.

Nationwide Mutual has transferred Wayne Morrison as claims manager from Virginia to Columbus, O., to succeed Marvin C. Byers, who has been named claims manager for upstate New York, with headquarters at Syracuse.

YOUR Independent Insurance AGENT "SERVES YOU FIRST"

Continental Casualty NEWS

Continental policies are always GOOD NEWS to Agents

VOLUME 1 | OCTOBER, 1961 | NUMBER 10

Employer Problems of Paying Double Solved by Group Salary Continuance Plan!

Continental Develops New Concept of Long Term Protection

Serious Problems—At Long Last Solved!

How long to keep an employee on the payroll after he is incapacitated—while at the same time paying a salary to the one who replaces him, this has long been a serious problem for management.

While his employer worries about this, the man who is ill or injured is worrying about what will happen *after* he is no longer being paid but still cannot go back to work.

You, the producer, can solve these problems and lift the burden of worry from both management and employees, by showing them the advantages of Continental's Group Salary Continuance Plan.

Equally Suitable for Small or Large Groups

Here's a group plan that doesn't require you to be a group specialist . . . a group policy that will appeal to agents and brokers everywhere! It can be offered to groups as small as 15 people . . . and it's so straightforward in its appeal that most producers regardless of their previous experience find it very easy to understand, and smooth sailing when they present it to prospects.

Group Salary Continuance as offered by Continental is a new concept in income protection. It is long term coverage which can be paid for either by the employer, or the employee, or shared by both.

It answers a vital need, brings satisfaction to employer and employee alike, and is bound to build and improve morale.

FOR DETAILS ON CONTINENTAL'S GROUP SALARY CONTINUANCE PLAN, SEE YOUR NEAREST CONTINENTAL AGENT OR BRANCH REPRESENTATIVE, OR FILL OUT AND MAIL THE COUPON.

• • •

CONTINENTAL CASUALTY COMPANY
A Member of the Continental-National Group
Continental Assurance Company
National Fire of Hartford
Transportation Insurance Company
Transcontinental Insurance Company


A happy employer thanks a Continental Agent for arranging a Group Salary Continuance Plan.

Group Salary Continuance is just one of a long line of easily salable Continental Casualty Policies. Watch this page *every month* for news about other profit makers.

Continental Casualty Company
Room 2802, 310 S. Michigan Ave., Chicago 4, Illinois NU-10-20

☐ Please send full details on your Group Salary Continuance Plan
☐ I am interested in an agency appointment
☐ I am interested in a brokerage appointment

NAME ____________
ADDRESS ____________
CITY ____________ ZONE ______ STATE ______

REVERE ANSCO POLAROID ZEISS BAUSCH & LOMB EASTMAN-KODAK ARGUS DE JUR KEYSTONE BELL & HOWELL

REPLACE

LOST—STOLEN—DAMAGED

Photographic Equipment at COST PLUS 6%

AND SAVE THE DIFFERENCE!

LIBBY'S CAMERA COMPANY OFFERS INSURANCE COMPANIES AND CLAIMS ADJUSTERS SPECIAL REPLACEMENT PRICES OF COST PLUS 6% REGARDLESS OF THE QUANTITY NEEDED FOR REPLACEMENT!

Why pay retail or near-retail prices for your replacement photographic merchandise? Whether you need one item or a hundred, Libby's special insurance replacement price of cost plus 6% is all you pay. We are your warehouse and give same day service.

Because of Our Service . . . Since 1926

FREE

Send for your Free, Confidential Price List and Catalog Sheets.

LIBBY'S CAMERA CO.

2444 W. Devon Ave., Chicago 45, Ill.
SHeldrake 3-1262

Comments On Marine Congress In Lisbon

(CONTINUED FROM PAGE 6)

notwithstanding the opposition from inland waterway craft owners, those proposed new rules will apply internationally in Europe in the near future. The result will be that normal marine insurance business will be deprived of a large volume of sound business.

P. Graf of Switzerland reported on contemplated new or altered charters. He thinks that they will take much time, and the more time it takes the more clearly marine underwriters will be warned of what is coming. They can thus take preventive measures (that is if they are in agreement).

Mr. Jaubert is working not only to explain to committees of bankers what they can expect from insurance but also to make better known the usual clauses in normal use in the different world markets, with the hope that this will eliminate requests for the insertion of unknown and untried clauses in insurance policies.

Owen E. Barker, president of Appleton & Cox, watches developments in rules applying to safety at sea. The fact that the marine underwriters are authorized to make their voices heard is in fact due to his activities. Cargo stowage is of the utmost importance for the safety of ships and Mr. Barker emphasized the work of the National Cargo Bureau of the U. S. in this field.

Harold Jackson of W. H. McGee & Co. discussed cargo losses.

Safe Delivery Guarantee

In some instances carriers offer an inclusive freight including guarantee of safe delivery. Where such carriers can find an inclusive cover from an ocean marine underwriter on an annual basis, this sideline may turn out to be profitable for the underwriters.

There was a lively discussion of nuclear cargo hazards. Apparently full cover is recommended, with option to recover damages paid from those who may be legally liable under existing or proposed liability legislation. It is said that the London market covers hazards on nuclear material, including third party liability. This may give rise to liability between cargo owners on the same ship.

The marine underwriters' congress was held more or less under the shadow of the European Common Market. No one knows what impact that new establishment will have on the insurance business. Committees are discussing what measures ought to be taken, apparently without reaching any agreements. All those proceedings are secret, and in French insurance brokerage circles a leader declared not long ago that the insurance industry is confronted with "imposed decisions."

It has been suggested that the type of regulation in effect in the U.S. could very well be adapted to the European insurance business.

Nees Amer. Mercury Assistant Secretary

W. J. Nees has been named assistant secretary of American Mercury. He joined the company in 1960 as budget director and became office manager this year. Before entering insurance, Mr. Nees had been in accounting with the nuclear products division of ACF Industries, and prior to that had been general office manager of Terminal Refrigerating & Warehousing Corp.

Two Prominent W. Va. Agents Merge Businesses

Kelley E. Reed, local agent at Charleston and president of West Virginia Assn. of Insurance Agents, and Charles S. Hornor, general manager of the Appalachian Industries agency and president of the Surbaugh & Cook agency there, and a member of the executive committee and chairman of the legislative committee of the state association, have consolidated their operations. The surviving agency carries the name of Reed & Horner. Offices are in the Ott Building.

Holmes Advanced

Melvin A. Holmes has been elected president of Farmer & Ochs-Frank B. Hall & Co., New York brokers and average adjusters. He is vice-president of the parent corporation, Frank B. Hall & Co., and head of the firm's accounts supervisory department. He replaces William T. Dunn, who remains as a director in addition to being vice-president of Frank B. Hall & Co.

Mr. Holmes joined Hall & Co. in 1937, was made assistant manager of the casualty department in 1945 and assistant vice-president of the account executive department in 1952. He was elected vice-president in 1956. He is vice-president and governing committee chairman of National Assn. of Insurance Brokers, assistant treasurer of Insurance Federation of New York, and a director of the New York CPCU chapter.

Jaffe Names Bogart

Jaffe Mutual Fund Agency, an affiliate of the Jaffe Agency in New York City, has appointed Felix A. Bogart manager. The Jaffe Fund sells mutual fund shares exclusively through insurance brokers.

Aetna Fire Raises Young

Aetna Fire has promoted Norman S. Young from special agent at Detroit to superintendent of the marine and inland department there. He succeeds Richard M. Zitzmann, who has resigned to accept a position with another company.

Automobile Physical Damage Insurance

The conservatively operated Stock Company, admitted in Missouri, Illinois, Indiana, Kentucky, Ohio, Michigan, Louisiana, Arkansas and Oklahoma, specializing in Auto Physical Damage Insurance, has

OPENINGS AVAILABLE FOR AGENCY CONNECTIONS

If you have a volume of this business, it will be to your advantage to place it with a Specialty Company.

Send your inquiries to MANCHESTER INSURANCE & INDEMNITY COMPANY, 9929 Manchester, St. Louis 22, Missouri.

A CAPITAL STOCK COMPANY

Manchester Insurance & Indemnity Company

Cincinnati, Ohio
Executive Offices—St. Louis 22, Missouri

Sees Bright Future In Expansion, Innovation

Expanding markets and innovation, particularly in payment plans and merchandising, offer a bright future for the agency system if companies and agents take advantage of them, N. C. Flanagin, president Lumbermens Mutual, said in his keynote address to Mutual Insurance Agents Assn. of New England at the annual meeting in Portsmouth, N. H.

Mr. Flanagin pointed out that total fire and casualty premiums increased 118% between 1950 and 1960, from $6.8 billion to almost $15 billion. "If you as agents and we as companies merely retained our share of the market," he observed, "we would inevitably show a substantial growth."

He quoted the results of a study made by his company showing that 51% of policyholders insured through independent agents prefer to pay premiums either every six months or on a monthly installment basis. Of those insured in non-agency companies, 68% prefer a six months policy or monthly installments. He concluded that agents would be in a better position to attract policyholders of non-agency companies if they would feature a six-months policy or monthly payment plan.

Mr. Flanagin noted the following trends affecting the business today:

—In general, company underwriting earnings are lower. This has been apparent over the past decade but is still continuing, as shown by the underwriting loss of $92,329,000 in the first six months of 1961 by 299 stock property and casualty companies.

—There has been a strong move toward company identification and "image building," as evidenced by the increased budgets many companies have for national advertising. He predicted that there would be an increase in these activities, with companies competing more aggressively with advertising dollars for the favorable opinion of insured.

—The trend toward lower agency profit margins is encouraging the adoption of automation. It is also causing agents to diversify, to fill all the needs of their policyholders, including life, A&S, and in some cases mutual funds.

—There is less selling by agents and more buying by insured. Again referring to his company's study, Mr. Flanagin reported that only 10% of insured were actually solicited by agents. The rest went to the agent because of friendship, office location or recommendation. In a great many states the number of new agents being licensed today is far below the figure of five years ago.

—The move toward non-agency companies has caused several of the other trends Mr. Flanagin mentioned, but he pointed out that this is not as pronounced as it was some years ago in the commercial and industrial risk area. The introduction of retrospective rating plans in workmen's compensation, general liability, auto and boiler machinery, the competitive pressure in A&S and group life for low retentions, have slowed down or halted the trend toward direct writers.

—However, in personal lines the trend continues, he said. The two largest writers of auto, for instance, show gains of 68% and 93% in their 1960 volume of homeowners as compared with 1959.

Ditz And Hoisington Raised By Travelers

Travelers has named Gordon L. Ditz manager of the casualty, fidelity and surety agency department at Kansas City, and Roy A. Hoisington Jr. manager of the casualty-fire agency department at Wichita.

Mr. Ditz joined the company in 1946 at St. Paul as a field supervisor in casualty, fidelity and surety. He was named assistant manager at Wichita in 1952 and manager in 1956. He became manager of casualty, fidelity, surety, fire and marine lines there in 1960.

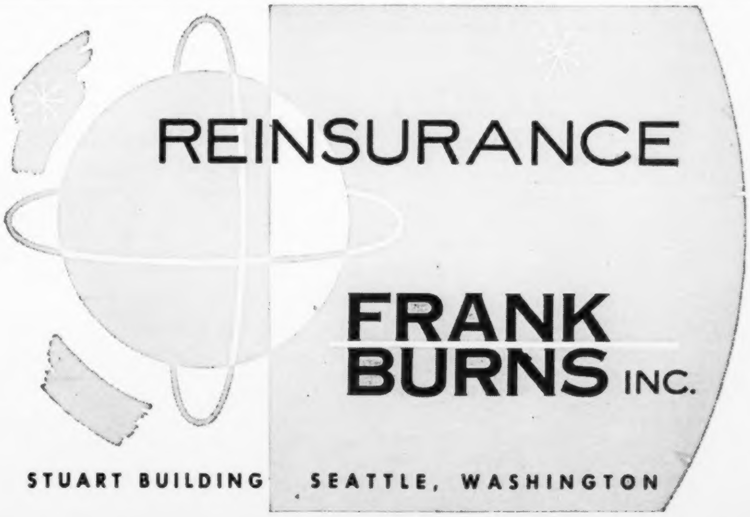
Mr. Hoisington, with the company since 1954, began as field supervisor in casualty, fidelity and surety at Kansas City. He was transferred to Wichita in 1956 and was named assistant manager in 1958. In 1960 he was appointed assistant manager, casualty-fire lines, at that office.

Brewster Home Mutual V-P

Home Mutual of Binghamton, N. Y., has appointed James N. S. Brewster vice-president in charge of agencies. He entered the business with the Roosma Bros. agency, Passaic, N. J., in 1953. After army service, he joined the Binghamton agency of Smith, Wilson & Stanton, where he became carporate secretary. He is a former vice-president of the junior chamber of commerce there.

Hooper-Holmes Names Eaves

Orville G. Eaves has been appointed sales representative of Hooper-Holmes Bureau at Nashville, where he has been manager of the office since 1956. He started with the bureau as an inspector in 1954.



ENTERPRISING!

GF&C is people . . . who are enterprising . . . who are at work for you behind-the-scenes . . . who have the youthful energy to get things done . . . with interest, initiative and intelligence. If you've tried everything else, why not try people? —our people!

People in general do better with people in General!

GENERAL FIRE AND CASUALTY COMPANY

(A Multiple-line Stock Company)

Home office: 1790 Broadway, New York 19, N.Y.

Philadelphia Newark Chicago
Pittsburgh Minneapolis Lexington, Ky.
Jacksonville, Fla. Coral Gables, Fla. Ruston, La.

Insurance written through agents and brokers only

YOUR Independent Insurance AGENT

Office, Personnel Management Are Vital

Office management and personnel functions comprise the "fifth wheel" of the insurance business, R. S. Wray, vice-president Iowa National Mutual, Cedar Rapids, declared in a talk at the midyear meeting in New York of American Mutual Alliance.

It is popularly held that there are four wheels on the insurance wagon: Production, loss prevention, loss handling and underwriting, Mr. Wray said. But he suggested that office management and personnel functions may have larger potentials for improving operating ratios than has been realized by property-casualty managements. The fifth wheel can thus become a steering wheel.

The two functions are of special importance in an insurance company because so much of the work is of the office variety. If a completely accurate census could be taken, it would be surprising to find what a large percentage of the people engaged in the business are office help. Essentially, this is the group to which is paid the bulk of that 6% or 7% of total premium volume which is listed under their term "general expense."

Competition is making property-casualty insurance company top management more concerned than ever before with the problems incidental to getting loss and expense ratios down, while keeping income up, Mr. Wray observed. In connection with most functions, the concern is not completely with cutting the actual dollar amount of expense. It is with cutting expenses and loss ratios so that an underwriting gain can be achieved. These are not quite the same thing.

Getting loss ratios down may very well involve putting expense ratios up in the individual company. Perhaps more and better inspections must be made, perhaps the claims man or adjuster must spend more time on the individual loss, perhaps the underwriter must spend more time in considering each risk or must secure more information. To keep income up, perhaps increased advertising, promotion, and field expense are required. This is accepted by company managements which are keeping their eyes on the true target of showing underwriting profits.

Smaller Company Attitude

But Mr. Wray wonders if in all companies this management attitude of the need to "spend money to make money" carries over into office management and personnel activities, or whether the emphasis there is entirely upon reducing the dollar amount of expenditures without too much regard to whether such reduction may reduce efficiency to an even greater extent.

Expense paring to the point where effective operation is impaired is not found to any great extent in the larger companies, for they have studied the problems and continue to do so. They are large enough so they can use specialists. But it would be interesting to determine whether, as one goes down the scale from the largest to the smallest companies, proper attention is paid to efficient carrying out of the personnel and office management functions.

Mr. Wray noted that the office manager plays a role in the management of the company. A well organized insurer does not consist of separate departments devoted solely to particular phases of the business. They are devoted to the total organization that provides service and makes a profit.

Maximum Productivity

After describing possible improvements in methods and communications, Mr. Wray turned to "production awareness" on the part of office managers. It has been established, he said, that most people have a productive working time of only 55% to 60% of their hours on the job. An ideal goal is 75%. To improve matters, the office manager must make people production conscious and happily so.

Turning to personnel management, Mr. Wray observed that better people and better training will result in less turnover, more productivity, lower costs and higher profits. Quality employes are the answer. Personnel men must realize that the only difference between decisions of the lowest line of supervision and those of top management is the magnitude of the matter involved.

Personnel men must realize that there will always be more people with knowledge of insurance techniques than those with managerial capacities. The personnel men must select managers and leaders.

Other tasks for the personnel man are job evaluation and building faith in the employes that what is best for the company is best for them, Mr. Wray concluded.

EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE
EXPERIENCE

EXPERIENCE

is the priceless ingredient in the operations of an insurance company. Paired with judgment, it governs success in underwriting and in the wise handling of financial resources, of assets and surplus. Not least, it guides a company in its relations with the insuring public and with the local agent who is the cornerstone of the insurance structure. PLM, now in its 66th year, has this experience. It could profitably work for *you.* Why not drop us a line.

plm

A MULTIPLE LINE COMPANY
"Founded in the Birthplace of American Mutual Insurance"

PENNSYLVANIA LUMBERMENS MUTUAL INSURANCE COMPANY

PLM Building • Philadelphia 7, Pa.

Regional Offices in New York, Los Angeles, Charlotte, N.C., Phoenix, Ariz.

Mutual Casualty Companies Slate Nov. 16-17 Conference

The annual, two-day accounting and statistical-office methods and personnel conference of Conference of Mutual Casualty Companies will be held Nov. 16-17 at the Conrad Hilton Hotel in Chicago.

Chairmen of the two sections are Paul Keithley, MFA Mutual (accounting and statistical), and W. F. Hovetter Jr., Pennsylvania Threshermen & Farmers' Mutual Casualty (office methods and personnel).

Two joint sessions will be held: "Education During Insurance Accounting System Change," Roy V. Johnson, Joseph Froggatt & Co., and "Stimulating Clerical Employes for Self-Improvement," Edward M. Ryan, editor management publications Dartnell Corp., Chicago.

The accounting and statistical section will have as speakers the first day: Orrin Huffman, manager electronics department Auto Owners, "Dataphone Transmission—New Wide Area Transmission;" Lawrence M. Speel, vice-president and controller Home Mutual, "RAMAC 305—General Purpose Board;" James C. McCarl internal auditor Farm Bureau Mutual of Iowa, "A Company's Approach to Internal Auditing;" H. E. Inghall, American Road, "Statistical Control of Claim Reserves;" Robert Young, manager casualty underwriting Badger Mutual, "Correlation and Cooperation of Underwriting and Statistical Departments," and M. Rochholz, president Insurance Administrators, Omaha, "Hidden Profits in Our Tabulating Departments."

The first day's lineup for the office methods and personnel section includes Paul L. Mitzner, vice-president, personnel, State Farm companies, "The Changing Role of Personnel Management;" Carl R. Harrington, compensation director Nationwide Mutual companies, "Quality Improvement in Clerical Operations;" Guy Arthur, Guy Arthur Associates, Toccoa, Ga., "Employe Opinion Surveys;" Frank G. Kuemmel, methods engineer Farmers Mutual Auto "Establishing and Operating a Forms Control System;" and on a panel entitled "Automation and the Office Employe" James R. Hood, secretary Farm Bureau Mutual of Indiana. "Introducing Automation," and Dean T. Price, personnel manager Employers Mutual Casualty, "Utilization of Present Personnel."

The accounting and statistical section will have an "Open Forum—Problem Session," with William Ladner, Citizens Mutual Automobile, moderating, and the office methods and personnel section "Incident Process Demonstration," with Gerald A. Joines, personnel director Cargill Inc., Minneapolis, on the final day.

Ga. General Agents Elect

Georgia Assn. of Managing General Agents has named Langdon C. Quin Jr., Hurt & Quin, president. Other officers are B. Fred Hedges Jr., Rives, Massy & Hedges, vice-president, and W. H. Mahone, Pat Mahone general agency, secretary-treasurer.


YOU, TOO, CAN BE HAILED AS A HERO AT HOME!

How they won fame and fortune INA

Each of them was a man even as you and I— a man whose sterling qualities went largely unrecognized at home. Then by devious means (friends, competitors, trade press) they learned about **Insurance Company of North America's** new Golden Package Policies.

XUM

the INA Golden Package way

Their lives were transformed! They enthralled prospects on every hand with sales talks on the broader protection and built-in economy of the Golden Packages. Word spread and their production soared, winning them success in business, stature at home.

INA Golden Packages, tailor-made for personal and commercial accounts, offer you the same hope of glory. There are ten big packages available now, more coming all the time. Your INA fieldman would relish a chance to tell you all about them.

FOR THE MOST PROFITABLE PAGE YOU'VE EVER TURNED, TURN PAGE

XUM

10 WAYS TO WIN NEW LOVE, HONOR AND OBEDIENCE

If they've come to think of you at home as "Good old Dad," here's a wonderful opportunity to change their minds. The profits you amass from selling INA Golden Packages will have the family dancing attendance upon you. How has **Insurance Company of North America** won leadership in the "package" field? By ingenuity, by fine claims service, by "writing new rules," by incorporating wrinkles like the INA-matic Pay Plan, by lending support in depth to the agents—but primarily by producing products like these ten:

1. **HOMEOWNERS** Many kinds of liability, property protection in one package. Efficiency cuts cost. INA Homeowners is the original policy of its kind.

2. **MOTELS** Another INA "first." Covers the motel owner against virtually every hazard he faces in the conduct of his business, offers him a big saving in cost.

3. **APARTMENT OWNERS, OFFICE BUILDINGS** Both packages provide generous protection, minimum exclusions, maximum extensions—and savings up to 15%.

4. **LIFE** Broad coverage, convenient pay plans make these Golden Packages especially attractive to the prospect. Agents report great success in selling them to Homeowners clients.

5. **INA-CHAMPION, FAMILY AUTO** These INA packages give more coverage and are more liberal in certain respects than most competitive contracts.

6. **FUNERAL DIRECTORS** Typical of Insurance Company of North America packaging ingenuity, this unique policy has scored a hit. Case histories repeatedly proved a need for this economical, efficient coverage. INA supplied it.

7. **SCHOOLS, CHURCHES** Broad coverage, attractive economy. Prospects benefit from INA's long experience in insuring church and school properties. Available soon.

8. **BIG TOP** Best known excess plan, Big Top is synonymous with the experience, flexibility and capacity of INA. Best recommendation for Big Top is a list of the major firms that carry it. (We'll supply it on request.)

9. **INA EXECUTIVE, INA PROFESSIONAL** Newest in the line, these apply the Big Top principle to personal coverage, providing excess protection for the high-income individual . . . owner, sole proprietor or professional man.

10. **HEALTH** The efficiency and economy of all Golden Packages make the best argument for these accident and health programs. (It's an argument that has proved effective.)

INA

INSURANCE BY NORTH AMERICA

Insurance Company of North America

Life Insurance Company of North America

World Headquarters: Philadelphia

N. E. Mutual Agents Hold Convention

Mutual Insurance Agents Assn. of New England at its annual meeting in Portsmouth, N. H., elected William J. Malcolm of Milford, Conn., president, Roger Bowker of Portland and Paul S. Burns of Keene vice-presidents, and Marshall Cobleigh secretary-treasurer (reelected). New directors are Fred E. Fairfield, Augusta; A. A. Uto, Braintree, Norman Greene, West Warwick, R. I., and Charles B. Wason, New Haven.

The organization voted to retain a full time secretary and will increase dues for this purpose. It also voted to ask the national association to develop a program of advance releases and advertising to be used at times of catastrophe. This would let the public know what procedures to follow and what insurance covers damage.

Membership has increased 100 during the past year, to a total of 522, William Wilson of Springfield reported.

A panel of producers and company executives participated in a panel on company prepared policies, continuous policies, and direct billing.

Panel Participants

Participants were John D. Cox Jr., president of Berkshire Mutual; F. B. Esau Jr., secretary of Pawtucket Mutual; John Middleton, secretary of Mutual of Hartford; E. F. Stockham, vice-president of Merrimack Mutual; Allen R. Elliott of New Haven; William R. Warburton of Providence. Gay Milbrandt of Pelham, N. Y., and Sam O. Penni Jr. of Boston. George L. Wainwright, Brockton, Mass., attorney, moderated.

If a company could develop an effective error-proof machine written policy program, it might save the agent time for sales and service, Mr. Middleton said. However, at present there is no uniformity among companies as to which policies they prepare—automobile, homeowners, etc.—and an agent with 20 companies is thoroughly confused, Mr. Milbrandt commented. Mr. Middleton questioned the savings that can be effected.

Mr. Penni said he had run a study in his own agency and had checked with several others and found that for all billing (not just automobile or other special policies) the cost is not more than 1% of premiums. This includes preparation of customer bills and ledger cards, monthly statements, pursuit of delinquent accounts, policy registers, etc.

Company Figures

He observed that no company has published any figures as to their cost of billing direct and collecting the premium. If the agency cost is 1% and that of the companies a lesser figure, what can the maximum saving be? He also said that the cost to the agency for writing policies is less than 1% of premiums.

Also discussed was how to get a balanced book of business and the number of companies an agency should represent. Company and agency representatives alike were strongly critical of the "few companies" philosophy.

—

Sasser Is Special Agent

W. W. Sasser Jr. has been promoted from staff adjuster to special agent of Agency Management Corp. of Baton Rouge. He will handle southeastern Louisiana. The general agency represents Audubon, Commercial, Dubuque F.&M., Employers Liability for bonds and boiler and machinery, South Carolina, and Southeastern Fire in Louisiana.

Mr. Sasser joined the loss department of the general agency in 1959.

—

Cravey Asks Money To Study Fire Rates

Commissioner Zack Cravey of Georgia has asked the governor for $32,500 to conduct a study of fire insurance rates on farms and urban dwellings. The request followed rejection by Fulton superior court of an order in which the commissioner refused to grant requested changes in fire insurance rates. The court's action had the effect of remanding the case to the commissioner for further study.

Mr. Cravey said the reversal was the first time an order of his on insurance rates had ever been reversed in court. The rate changes had been asked by Georgia Inspection & Rating Bureau. They would have produced an average increase of 7.7%. The commissioner, after two public hearings on the proposals, rejected a 20% increase in rates on farm property and permitted half the increase sought on other rates. He also authorized a 3.3% reduction in extended coverage rates.

The commissioner's decision was taken to court by Southeastern Underwriters Assn. The Fulton superior court at first ruled it did not have jurisdiction. This decision was reversed by the state supreme court, which said the superior court does have authority to review the commissioner's decisions.

—

Gulf Of Dallas Opens Fidelity-Surety Unit

Gulf of Dallas has appointed Ralph W. Wyatt manager of the new fidelity

Ralph W. Wyatt

Dan F. Brown

and surety department. Dan F. Brown has been employed on a full time basis as bond consultant.

—

Allstate Sues Over Name Infringement In Wash.

Allstate and its subsidiaries have filed suit in district court in Seattle seeking an injunction against the use of the name Allstate by Allstate Motor Assn., a Washington corporation.

Allstate Motor Assn. was organized by Richard Shanks of Seattle, Carl Jones, a Seattle agent, and D. C. Frisbie, president Preferred Exchange.

Allstate protests that the use of the title Allstate Motor Assn. is a violation of federal patents. Allstate Enterprises, the Sears, Roebuck, affiliate, has been engaged in organizing Allstate Motor Club, and the use of the names Allstate Motor Assn. and Allstate Motor Club in the same state can lead to confusion.

—

H. L. Went Is Promoted

Lumbermens Mutual of Mansfield has appointed Harold L. Went comptroller. He joined the company in 1943 as a tabulating machine operator. In 1945 he was named tabulating supervisor. He was advanced to statistician in 1955 and later that year became manager of the tabulating and statistical department.

—

Farmers Mutual Names Chvala

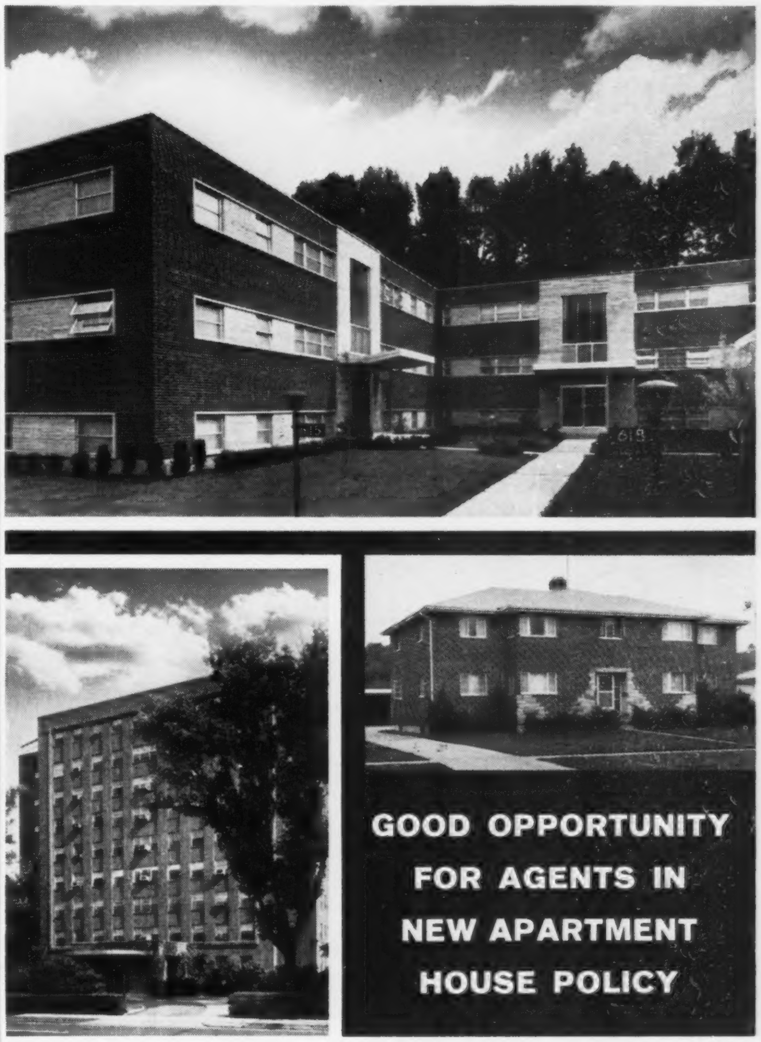
Joseph F. Chvala has been appointed marketing manager of American Standard of the Farmers Mutual group of Madison. He joined Farmers Mutual as a claims adjuster in 1950, advancing to district claims manager in 1955, and regional services manager in 1957 at the home office.

Pedersen Is Elected Crum & Forster V-P

Lloyd W. Pedersen has been elected vice-president of Crum & Forster. He was formerly vice-president of United States Trust Co. of New York in charge of investment research.

—

Kirschner & Co., insurance advertising and public relations company, is moving its offices to Palo Alto on Nov. 1. The new address is 494 Lytton Avenue.



Package policies are here to stay and this is one of the best. In one policy are now included all coverages considered necessary for apartment houses — the big ones, the medium size ones, and particularly the small (three, four and six apartment) buildings.

Inquiries are invited from authorized agents in unassigned territories. Ask, too, about the new multi-peril Motel Policy.

YOUR Independent Insurance AGENT "SERVES YOU FIRST"

THE OHIO CASUALTY INSURANCE COMPANY

HOME OFFICE—HAMILTON, OHIO

Home Office Department: Aurora, Ill., Chicago, Cincinnati, Cleveland, Columbus, Dallas, Dayton, Denver, Des Moines, Detroit, Grand Rapids, Greensboro, N. C., Indianapolis, Kansas City, Lansing, Mich., Louisville, Milwaukee, Minneapolis, Oklahoma City, St. Petersburg, Toledo, South Bend, Ind., Springfield, Ill. **Eastern Department, 17th Floor, Broad-Locust Bldg., Philadelphia 2:** Baltimore, Haddon Hts., N. J., Harrisburg, Newark, Philadelphia, Pittsburgh, Scranton, Washington. **Pacific Department, 208 W. 8th St., Los Angeles 14:** Compton, Fresno, Inglewood, Long Beach, Los Angeles, No. Hollywood, Oakland, Pasadena, Portland, Riverside, San Diego, San Francisco, Seattle.

What's Wrong With Plaintiffs' Attorneys, Doctors, Insurers

(CONTINUED FROM PAGE 7)

believe it is their duty to minimize. Even worse is the confidential report practice. Company doctors supplement their report to the company and to the injured person with a confidential memo to the company only, the substance of which is that the formal report is not true.

Medical reports must be honest if they are to mean anything, Mr. Dooley declared. They should state the facts and the diagnosis, with a prognosis avoided except in unusual cases. True medical reports can serve a definite purpose in the disposition of claims.

Mr. Dooley said he is willing to furnish insurers medical reports if they don't use them for trial purposes. The defendant gives plaintiff's counsel none of its work product, and he sees no reason for the plaintiff's lawyer to give the defendant any of his. The insurer can always obtain medical reports under a stipulation.

Mr. Dooley does not regard as realistic charges by the insurance business that plaintiff attorneys try to make five figure cases out of those worth three or four figures. Not even a good plaintiff's lawyer can make a silk purse out of a sow's ear. One who attempts to magnify a case can do his client a great disservice. The most effective advocate for the plaintiff is one who can justify the amount asked. It may be worth $10,000. But chances of getting $10,000 are better if it is treated as that size rather than if it is paraded as worth five times that much. Of course, he conceded, giving a case its dollar value is a tough job, regardless for whom the attorney appears.

Mr. Dooley noted that insurers complain about lawyers who do not negotiate promptly, who go to suit without negotiation, and who are unrealistic in their demands.

Why Insurers Delay

He said he used to work for an insurer and learned that lawyers do not negotiate with companies because "most insurance men do not wish to take the responsibility of facing up to the given situation. It may be that they do not have adequate authority or fear criticism by a superior. The fact remains that the problem goes unsolved, at least by them." Later, in many instances, the case is disposed of for twice the original price.

A waiting period of at least six months to a year is indicated in most cases, he said. If no complications have then developed, no one is prejudiced. If serious consequences ensue after a hasty compromise, injustice may be done. The lawyer who is concerned about his client rather than his own fee waits.

Mr. Dooley indicated his willingness to discuss settlement possibilities during the time the suit is waiting for trial because of calendar congestion.

"Realism in demands" is an expres-

C. of C. Legislative Plans

WASHINGTON—U. S. Chamber of Commerce insurance interests, it is said, hope to get Congress to reinstate the provision of earlier social security legislation eliminating the overlap existing between disability coverage and state workmen's compensation. This was repealed two years ago, resulting in abuses, it is reported.

The matter will be taken up at the meeting of the national chamber's insurance committee Feb. 4-6. This is the annual conference of all chamber committees held to work out a legislative program for submission to the chamber's directors for consideration in adopting declarations of policy. Educational work on the reinstatement project is planned by the insurance committee.

That committee's meeting here recently heard a talk by Donald P. McHugh, counsel of the Senate antitrust and monopoly subcommittee, on what it has accomplished up to date. Though it has been reported that the subcommittee plans further insurance hearings, this may not be before next year.

The chamber's insurance committee received progress reports on A&S, federal indemnification for atomic damage, the welfare and disclosure act, health care of the aged under social security and workmen's compensation.

HE MEANS BUSINESS...FOR YOU

When you are setting up your sales plans for 1962, why not call in some free professional help? Let your Ætna fieldman help you pick your targets and show you how his expert knowledge can swing the business to your agency. His technical assistance can give you a decided edge. And he can show you samples from Ætna's library of sales aids which will dramatize your presentation. Why not call him today and set a date?

Proven Symbols of Professional Service

Ætna Insurance Company

ÆTNA INSURANCE COMPANY • HARTFORD 15, CONNECTICUT

THE OLDEST INSURANCE COMPANY IN THE WORLD

SUN INSURANCE OFFICE LTD
FOUNDED 1710

55 FIFTH AVE., NEW YORK

sion peculiar to the insurance business, he said. In many cases the two sides do not agree even on the nature of the case. He said the insurer should not take the position that today the case is worth much more than it will be two to four years hence and thus should be settled for less than its actual value. Instead, the insurer should evaluate the case as if there were no protracted waiting period.

Failure To Settle

No litigant is entitled to a discount because of court delay, he observed. Many have charged that the insurer's failure to settle cases until reached for trial is a big cause of the court case backlog. He pointed out that it is not to the insurer's advantage to delay, because inflation forces it to pay more. Also, defense witnesses do not have a greater life expectancy than plaintiff witnesses. Insurers can help keep the courts in business, he declared, by evaluating cases as if there were no waiting period. Courthouse-step settlements complained of by the insurance business may be due to the conduct of defendant's counsel.

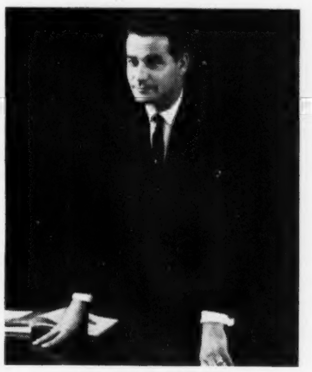
Defendants are more interested in jury trials in all types of cases than plaintiffs, he charged. In one week in the Chicago municipal court 75 juries were demanded, 63 of them by defendants.

Pre-trails in many forums are not judicial proceedings but auctions where lawsuits are given prices and sold, he declared. Often the court hears the value put on a case by defendant and that put on by the plaintiff and splits the difference.

Pre-trials are not accomplishing the purposes for which they were intended—a judicial process in which issues were settled, stipulations made, exhibits agreed upon, all for the purpose of narrowing the issues and saving trial time.

Today the problems of the plaintiffs are big, he said. Their problems are those of the insurance business since each to a certain extent is interdependent. These problems can be solved, he believes—but only through a cooperative effort between lawyers representing both interests on the one hand, and the courts on the other.

The Picture of Success



WHO'S WHO IN THE 'SMITHS'

There are nearly 10,000 Smiths in the City of Chicago but there is only one Robert P. Bob heads up one of LaSalle's newest and most active departments—Bail and Other Court Bonds. This division, which was created more than a year ago, has grown and prospered under his guidance.

LaSalle producers are particularly appreciative of the factual, first-hand information on Bonds which Bob is always capable of giving.

Bob highlights LaSalle's ability to offer outstanding performance through a family of closely integrated talents. Whether they be Smiths, Murphys, Larsons or Johnsons (we have them all), each brings an unfailing contribution in enlarging the resources of agents, brokers and policyholders.

La Salle

CASUALTY COMPANY

LA SALLE-WACKER BUILDING • CHICAGO 1

Financial 6-7500

A COMPLETE CASUALTY SERVICE:

Accident & Health, Automobile Liability, Automobile Physical Damage, Garage Liability, Malpractice Liability, General Liability, Dramshop Liability, Plate Glass, Manufacturers' & Contractors' Liability, Workmen's Compensation, Burglary & Fidelity, Bail & Other Court Bonds.

Appealing Tenn. Decision On Vending Machine Sales

The Tennessee department is appealing a ruling by Chancellor Lentz that vending machines may be used in the sale of land travel accident insurance to bus, train, and automobile passengers.

L. Buchanan Loser, attorney for the department, said the appeal will seek to have upheld in the appeals court a decision several weeks ago by Commissioner John R. Long disapproving the use of vending machines. The ruling was based on an opinion from the attorney general's office and was made after Beneficial Standard Life asked permission to sell land travel policies by machine.

The court ruled in favor of the insurance company, which proposed to install machines in motels, hotels, and bus stations.

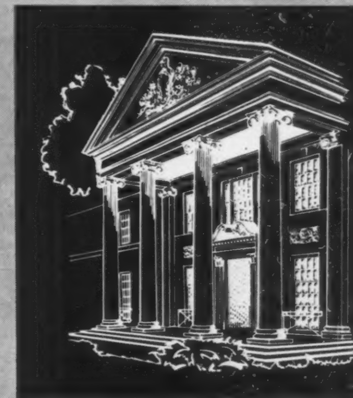
Ream, Wrightson Elects

Percy A. Goodale Jr. has been named vice-president of Ream, Wrightson & Co. He will manage the New York office of the reinsurance brokerage firm. He replaces Robert C. Taylor, vice-president, who is going to London to coordinate and administer business.

Wis. Has Special Provision For Agents Called Up From Reserves

In order to assist Wisconsin agents who are members of reserve units called into service, Commissioner Manson has ruled that agents who held temporary licenses for study on Sept. 19 or later (the date the National Guard was informed of its activation) and were called into active service, will be permitted to obtain a new temporary license after release from active service for the full period allowed by law. To agents who held permanent licenses on Sept. 19, the law permits such an agent to designate a person to operate his agency if he is called into service. Such designee may receive without examination a temporary license for each company for which the permanent agent was licensed. Such licenses will be issued for a six-month period and will be renewable on request for an additional six-month period. Any requests for such licenses should be referred to the agents license supervisor so that a letter outlining the department's policy may accompany such license when it is issued.

Lumbermens of Mansfield Agents are finding



NEW CONCEPTS mean NEW PROFITS! $ $ $

Here are just a few of the NEW CONCEPTS we have introduced this year — each a sound reason why you too will get NEW PROFITS by making a SOLID CONNECTION with LUMBERMENS of MANSFIELD SOON.

FIRST with the most complete COMMERCIAL PACKAGE PROGRAM in the industry, Laundries and Dry Cleaners . . . Retail Stores . . . Motels . . . Apartments . . . Office Buildings . . . *and more to follow soon.*

- Excellent mercantile Fire Facilities including capacity and engineering services.
- FIRE — AUTO — CASUALTY — INLAND MARINE coverages handled by Teamwork in Action Across the Nation
- NEW L. M. I. BUDGET — acclaimed the finest premium financing plan available today

"Teamwork in Action Across the Nation"

WRITE L. G. TOMS, Agency Director for Details TODAY!

LMI

Established 1895

The LUMBERMENS MUTUAL INSURANCE COMPANY

A MULTIPLE LINE COMPANY

General Offices, Lumbermens Heights, Mansfield, Ohio

Branch Offices — St. Louis, Dallas, San Francisco and Los Angeles

Morrill Urges Response To Challenges Of Kefauver Report

(CONTINUED FROM PAGE 1)

ing and respect, within the industry, that our future requires."

Last November in New York, spokesmen for all the national stock company rating bureaus announced nine rating principles to which these bureaus were now committed, Mr. Morrill noted. One of these was elimination of the adherence rule. No bureau company need now agree to adhere to bureau rates. Deviations and independent filings are legitimatized. In fact, the bureaus themselves, if asked, will make independent, competitive filings for members.

The bureaus thus turned their backs on the "long, difficult, often bitter struggle to establish, maintain, even compel uniformity." The words thus expressed opened the door to a new competition, limited only by the will of management. The bureau companies were free to compete, as they might elect, with the independent, non-bureau companies.

Mr. Morrill said it is too early to assess the full effect of this development, to tell whether managements steeped in the tradition of cooperative action will find their new independence comfortable, whether they will be adept in a competitive role.

One of the influences that seems sure to play upon insurance managements, he said, is the recent report of the Senate subcommittee on anti-trust and monopoly. The task of responding adequately to the challenges which it contains is yet to be undertaken.

The Senate report contains challenges for state regulation of insurance. But one of the great strengths of state regulation has been its ability to stimulate self-regulation by the industry. "The challenges posed for the business to resolve are sufficient to occupy our energies. The greatest contribution that the insurance business can make to the preservation of state regulation, in which we all earnestly believe, is to think through and correct those practices which require correction, so as to remove the necessity for state concern."

Challenge number one of the Senate report, he said, is the challenge to the "interlock." The report flatly states that through common memberships of the same companies in rating and advisory organization "an 'interlock' exists." The report notes that monopolistic control over rates by a combination of companies and organizations was the focus of the Southeastern Underwriters case. It devotes much space to what it calls the anti-competitive program engaged in by the interlock to impede and prevent competitive activities of independent companies. It particularly notes the intense effort made to restrict partial subscribership.

The report criticizes the "interlock" for absorbing the regional fire insurance advisory organizations into the Inter-Regional Insurance Conference. It comments:

Against Concentrated Control

"The trend of concentrating all control in one place and having the operations of people and companies all over the United States run by a handful of people in New York City does not serve the public best."

The challenge of the "interlock" is not presented in terms of whether what has transpired was fair or unfair, wise or unwise. Rather, the question is the effect which these events will have on the future of fire insurance rate making. The report says that with "this increased power in a national advisory organization, the possibility of tighter control over rates is now manifest."

"How can we reconcile the new competitive freedoms offered by bureau spokesmen with the fact of tightened national control over fire insurance rate making?" Mr. Morrill asked. "The answer is not hard to find. The new devotion to competition where the business is slipping away is not to be confused with the determination to preserve the status quo where the business seems secure."

The Kefauver report, he pointed out, makes no attempt to strike down rating bureaus or to remove the conditional exemption from the Sherman act which insurance enjoys. It does attempt to discourage the use of legal cooperation on rates as a means for illegal cooperation in the destruction of competitors.

The Sherman act exemption is justified on the ground that cooperation is essential if a proper rate commensurate with the hazard is to be arrived at. The need for pooling of statistics is urged. "But the public interest arguments for permitting price fixing in concert do not extend to legalizing the creation of a phalanx of competitors acting in unison for the purpose of organized domination and defeat of individual competitors. Our business needs to face up to this distinction."

He commented on the round upon round of bureau rate reductions for homeowner's policies, wondering if these are the product of data gathered through cooperative processes, which would be a legitimate bureau function, "or do they in fact reflect the determination of bureau companies not to be undersold by the independents and let this market, like the automobile insurance market, slip through their fingers?"

No Justification

It is a commonly expressed view that no adequate justification for the 34% expense loadings in these policies has ever been provided, and that the optimistic commission reductions assumed in the formula have not been realized in actual company-agent relationships, Mr. Morrill observed. In 1960, stock companies—which include quite a number of low-cost independents—had an aggregate expense ratio of 39.8% on homeowner's business. This includes an aggregate commission ratio of 26.1%.

"This raw statistic, standing alone, would indicate that bureau homeowner's rates were 6% inadequate in 1960. Yet in 1961, another round of homeowner's rate cuts is under way by the rating bureaus. The challenge posed, and which the Kefauver report examines, is whether such activities fall within the Sherman act exemption. If the anti-trust laws were to apply, then some might hold that these rate cuts are merely 'meeting or matching the prices of rivals,' which is generally sanctioned. Others might see them as 'predatory price cutting' or coercion and monopoly, which the anti-trust laws forbid."

Clarifies Point

"Let me make the point with absolute clarity. The question is not whether we shall have price competition. It is not whether individual companies may be inventive, resourceful, even aggressive in the market place. Rather, it is whether a dominant combine of companies may use the facilities of a rating bureau or advisory organization, justified and licensed for the purposes of statistical collaboration, to engage by agreement in deliberate price cutting to destroy competition. Where such price cutting defies the statistics, the issue is clearly posed."

Mr. Morrill said there is a vast distinction between the aggressive competition of a single company, and the competition of a great combine of hundreds of companies, marching arm-in-arm through the market place. No

■ Time is with us. The growing thirst for information fits our business perfectly. We not only attempt to keep pace with events and new ideas but far out-distance them. Producers who foresee the growing need of tomorrow's professionalism demand the efficiencies so inherent in dealing with Bowes & Company. As a special risk firm, we are never satisfied with the usual. We have proven this in a thousand different ways. Time after time we have taken the initiative to cut the cloth to fit the perfect pattern—develop new and revolutionary forms of coverage for individuals, industry and commerce. If you have a particular problem, seek imaginative underwriting and strong safeguard against competition, remember your best bet is Bowes & Company.

BOWES

Bowes & Company, Inc.

135 SOUTH LA SALLE STREET • CHICAGO 3 • ILLINOIS
99 JOHN STREET • NEW YORK 38 • NEW YORK

Service beyond the treaty

Reinsurance AGENCY INC.

141 W. JACKSON BLVD.
CHICAGO 4, ILLINOIS
WAbash 2-7515

Charles A. Pollock, Jr.
PRESIDENT

Vincent J. Cuddy
VICE PRESIDENT

cloak of legality can be found in the rating laws for such activities."

Individual judgments on this issue may differ, but the hard core of the industry's legal position should be the base. Insurance is commerce. The federal power over commerce is supreme. The anti-trust laws express the general policy of Congress for the carrying on of commerce. Congress has granted insurance a limited and conditional exemption from the anti-trust laws. This exemption is limited because there is no exemption for boycott, coercion or intimidation. It is conditional because the anti-trust laws are suspended only to the extent that the states regulate. Practices which violate the underlying concepts of the anti-trust laws without the clear justification of public interest endanger the exemption.

The Kefauver report labels the campaign waged against partial subscribership as "a conspiracy in restraint of trade and to pervert the state regulatory process." To call it by that name does not constitute proof, Mr. Morrill observed but it does challenge the business to reexamine its practices lest the benefits of the McCarran act become lost.

Uniform Rates Challenge

Challenge number two he said, is the challenge to uniform rate laws. The Kefauver report documents the fact that the mandatory bureau laws of Virginia, North Carolina and the District of Columbia were enacted not to eliminate rate competition but to regulate the reasonableness of rates where there was no competition. The legislative histories show concern over the domination of rates by SEUA and the absence of rate competition. The Virginia legislative report said, for instance: "If the rate situation in Virginia was in any sense competitive there would be no necessity for dealing with this question."

Thus, the report explodes one of the prime fallacies argued by uniform rate proponents—that the mandatory bureau laws represent legislative determinations that rate uniformity serves the public better than rate competition.

The Senate document singles out the 1961 enactment in North Carolina which eliminated deviations on automobile liability insurance. As to this, the majority report says:

"With the strong support of the local agents' association, the state places its official sanction upon monopoly."

Gives Minority Views

The minority views of Senators Dirksen and Hruska contain these comments:" . . . the subcommittee is confronted with a situation where by statute companies which have been and are willing to charge lower premiums will be forced to charge higher premiums. It appears that the proponents of this legislation were independent insurance agents and that this measure was oposed by both the so-called independent companies and the old-line traditionalists whom these agents represent. Agents' associations in some states have taken the position that uniform rates enable them to secure large commissions and control of the ownership of the risks which they place through elimination of price competition. There is no evidence that this has benefited the companies they represent."

The minority sums up its position on this point like this:

"The rate regulatory laws of the various states should be designed to encourage competition, subject to reasonable regulation, to protect the public interest. Mandatory bureau membership and uniform rates are in derogation of these objectives."

The majority view agrees, and makes a specific recommendation for action. It says: "This subcommitte now states its unequivocal opposition to laws which are diametrically opposed to the principles of free competition by making membership in rating bureaus compulsory."

At another point the majority says: "The McCarran act can certainly not be viewed as justifying the acts of states in compelling all insurers to be members of rating bureaus or requiring that all rates be uniform by legislative fiat. In either case, rate competition is effectively nullified, resulting in a conflict with the intent of the McCarran act that there be rate competition. The subcommitte recommends that the Department of Justice should undertake a thorough review of the legal problems inherent in this conflict. Steps should be taken to institute the kind of proceeding, perhaps under the declaratory judgement act, which would seek the elimination of any conflict between these regulatory schemes and the McCarran act. It is particularly urgent that the Department of Justice direct its attention to the monopoly in automobile liability insurance created by the recent North Carolina law. Such basic conflicts between states and federal approaches to competition must not be left unresolved."

Names Third Challenge

Implicit in what has already been said is challenge number three, Mr. Morrill declared. That is the challenge to these small groups of organized insurance agents who, "presumably out of harmony with the majority of their own ranks, out of harmony with the companies they represent, out of harmony with the intent of Congress as re-expressed in the Kefauver report, and out of harmony with the best interests of their own customers, continue to urge the enactment of mandatory uniform rate laws."

In 1961 this position was taken publicly by three agents groups, he said. The first instance was in Texas, where a pamphlet was issued vigorously opposing the enactment of a law which would have substituted competition on automobile rates for the present fixed rate law. "Although unsigned, it bears the seal of the 'Big I'—'Your Independent Insurance Agent Serves **You** First.' "

The second instance was in Oklahoma, where a bill was introduced in the current session of the Oklahoma legislature to fix uniform rates for automobile insurance and fire and allied lines. The next day, the Oklahoma Assn. of Insurance Agents issued a bulletin urging its members to get behind the measure. The bulletin said that the bill "has the wholehearted support of the OAIA's leaders, who consider it the answer to most of the problems which have the industry in such an upheaval today. Policies and forms, as well as rates, would be standardized."

The third instance was that of North Carolina. Mr. Morrill stated that on May 24, 1961, the North Carolina Assn. of Insurance Agents issued a seven-page bulletin. This was the day before the anti-deviation bill was introduced in the legislature. Curiously, the bulletin was able to announce the time and place of the hearing that was held one week later, even though at that moment the North Carolina legislature had not yet received the measure. That bulletin began:

"A bill will be introduced in the general assembly this week to . . . eliminate deviations in automobile liability insurance. This is a bill that, if it becomes law, will end the price advantage of the deviating companies . . . " The bulletin, in strong terms urges every agent to "work toward the common goal."

The bulletin contains a list of questions and answers. Number 14 reads:

"Question: What effect does the elimination of deviations have?"

"Answer: It will put all companies on an equal footing insofar as the initial cost of insurance is concerned."

New Legistative Voice

Mr. Morrill said a new voice is being heard in the legislative halls where insurance legislation is being considered. That is the voice of organized insurance buyers. When efforts were made this year to outlaw independent filings and restore uniformity in Washington, it was the spokesman for American Society of Insurance Management who turned the tide in favor of competition "Wherever the buyer speaks, whether in the legislative forum or in the marketplace, he casts his vote for price and coverage competition."

"The prospect of agents and buyers meeting each other head-on before a legislative committee, the one urging uniformity and the other urging competition, would scarcely be a welcome development," Mr. Morrill observed.

"What image is created for our business when agents groups publicly oppose price competition?" he asked. "Will the organized insurance buyers believe that agents put first the interests of their clients or of their own pocketbooks?"

Business Market Bedrock

Leaders of the American agency system recognize, he said, that the bedrock of their operations is not personal insurance, but the business market. Studies show that the larger and more successful an agency is, the greater proportion of its volume will come from business lines. Conversely, the small and marginal agencies tend to have a preponderance in personal lines.

"It is, of course, the insurance buyers for industry who are organized, sophisticated and articulate. If the only voice raised by agents is the voice of these few state groups which urge uniformity, then there is a risk that all agents will become identified in the minds of the large buyers of insurance as opposed to the competition which buyers prefer."

Mr. Morrill said his suggestions will undoubtedly be considered by some as controversial, but "they are not so intended. The controversies already exist."

Reinsurance Brokers

EXCLUSIVELY

More than a quarter century of constant progress and growth through unexcelled personalized service to insurance companies.

FIRE • WINDSTORM
HAIL • AUTOMOBILE
CASUALTY • BONDS
MARINE • LIFE
ACCIDENT AND HEALTH

A. E. STRUDWICK CO.

MINNEAPOLIS OFFICE
A. E. STRUDWICK W. H. KERN J. A. BIRKLAND
R. F. O'CONNOR J. L. KING M. D. MELBOSTAD
F. KRISTIANSSON
810 Baker Building, Minneapolis 2, Minnesota

CHICAGO OFFICE
H. A. GOETZ J. L. SCHELLIE
208 South LaSalle Street, Chicago 4, Illinois

LIFE IS SERVICE . . . THE ONE WHO PROGRESSES IS THE ONE WHO GIVES HIS FELLOW BEINGS A LITTLE MORE — A LITTLE BETTER — SERVICE.

Canadian Buyer Analyzes Role Of Risk Manager In Modern Times

(CONTINUED FROM PAGE 22)

manager, working in cooperation with certain outside sources. In Mr. Sharp's company, the firm's main contractor prepares the cost estimates. His engineers work closely with the company's insurance brokers and with the company's engineering department to determine costs. The services of a consulting engineer could also be employed to do this kind of work.

In connection with fire protection inspections and others carried out by underwriting groups and insurance brokers, the inspection reports which follow will invariably include a list of recommendations to be carried out, Mr. Sharp observed. These inspections, which are normally done on a regular basis, and the resulting reports which are issued covering the inspections, are part of the services paid for in the premium dollar.

The insurance administrator has a definite responsibility with respect to the improvements recommended by underwriters. Naturally, he will have to understand why the recommendations were made. He will probably have to spend considerable time reviewing them with insurance brokers and underwriters, as well as with those in charge of operations, with the safety and fire protection departments and others. Once a thorough review has been made by all concerned, it will probably be found that some of the recommendations should be accepted and can be done, perhaps at little cost.

However, underwriters sometimes ask for improvements involving extremely large sums of money, such as the installation of a sprinkler system, or the erection of a fire wall. Here is where the risk manager can prove his worth to his company by negotiating with underwriters. He might point out that the cost is not warranted, or is not practical from an operational viewpoint, and that there is an alternative way of accomplishing the same result, at less cost.

Once a thorough risk analysis has been made, it will be evident that certain exposures cannot be eliminated or abated. These risks will then have to be provided for in one of the following ways:

1. Assume the risk—which simply means that no provision will be made for it.
2. Self-insure the risk.
3. Purchase insurance from a professional risk bearer.

Management Responsibility

In most cases, it will probably be found that the decision to do any of these three, or a combination of them will be a group management decision. It is certainly up to the risk manager to present management with the facts and to recommend certain action, but, in all fairness to the insurance officer and in the interest of good business, it should be a matter of company policy to determine how the risks are to be insured.

In purchasing commercial insurance, a decision will first have to be made as to whether the risk will be insured for full value, or whether a deductible or a franchise clause in the policy is required. Once this decision has been made, the risk manager will then be faced with choosing the company or companies to assume the risk.

Once a broker has acquired the business, it is up to the risk manager to take the broker into his confidence. All cards pertaining to the business should be laid on the table. The insurance officer should accompany the broker on the initial field trips to all plants and see that the broker meets the officials with whom he will be working. The broker can only function most effectively for the buyer after he

Mutual Of Hartford Forms Auto Insurer

Mutual of Hartford has formed Covenant Ins. to write private passenger automobile insurance. The parent company writes auto PHD but has not previously written auto liability. Covenant will confine its activities for the present to Connecticut. Mutual of Hartford when it was organized in 1831 was restricted by law to writing fire insurance on homes and farm buildings in Hartford County outside the city limits of Hartford.

In addition to John Alsop as president, John E. Luddy is vice-president, Neal C. O'Connell vice-president, secretary and comptroller, and John Middleton, secretary. Richard T. Miller formerly of Employers Mutuals of Wausau, is manager of the claims department and Joseph Seeley, formerly of Security-New Amsterdam group, has joined the staff as underwriter.

The new company is being introduced to 250 Connecticut agents in sessions at the Waverly Inn, Cheshire. Top executives of the company will discuss various phases of policy, procedure and program. Russell T. Lindstrom, assistant secretary and New England regional manager, will preside at the meetings.

"No, no. Sag a little as if you'd just lost a renewal."

But, dear lady, he *hasn't* and he isn't *about to*. He knows he's in a plenty competitive position on comp and liability coverage. He's confident at renewal time because of Bituminous' flexible, fair-minded underwriting attitude in appraising each risk individually, not "by the book". He knows Bituminous application of modern rating techniques is unique. He knows Bituminous' A-1 engineering helps to prevent accidents and keep rates low. He knows Bituminous claim service is prompt and realistic. So, let him puff a little. On him it looks good.

Write for your free copy of the Bituminous Annual Report

Specialists in Workmen's Compensation

SECURITY B SERVICE

Bituminous Casualty Corporation

BITUMINOUS FIRE AND MARINE INSURANCE COMPANY • ROCK ISLAND, ILLINOIS

has had an opportunity to get to know the physical aspects of the plants, the company's operations and the objectives of management. There must, out of necessity, therefore, be established and maintained a close and effective relationship between buyer and seller. This is the risk manager's job and the success of the relationship will depend on him.

Independent Aid

The board or the executive committee of a company, or even the risk manager himself, might require an independent analysis or appraisal of the insurance program to be made. This would most likely entail the use of highly qualified independent insurance consultants or advisers. These speci: lists can be very helpful at times to all those in an organization responsible for protecting the company's assets and income. Since the consultant has no axe to grind, an unbiased appraisal of the company's insurance or risk program can be preesnted to management as a check on its judgment and insurance administration.

For many years, building and machinery and equipment costs have been going up. As a result, the insurance executive must concern himself with the increased percentages in values applicable to these assets. Some orderly manner of keeping on top of building and machinery values should be made part of the insurance administration program. The insurance administrator will certainly be held responsible if, after a loss, it is found that the property was underinsured. Therefore, he should have a say at least in the method to be used in arranging for plant appraisals. It may be that the engineeirng department in a company can do this work. It may also be that the underwriters or broker supplies the service. On the other hand, it may be company policy to use an independent appraisal company.

Public Reputation

Another relationship a risk manager may have to consider from time to time is that with the public adjuster. These specialists may be needed in settling large losses, or in the border line claims regarding depreciation, deterioration, contamination of products, loss of use, and last, but, not least, the cause. The broker may appoint a public adjuster to represent his office on insured's behalf, or perhaps the insured will appoint such a specialist.

Mr. Sharp made a final point about dealing with claims concerning members of the public. The goodwill of the company is at stake. Enormous sums are spent on advertising to sell products and create good will. The insurance manager should not be responsible for breaking this down to save a few dollars in settling a claim.

Mr. Sharp summarized the types of persons and organizations the risk manager will be dealing with in performing his job: Underwriters; brokers and agents; consultants; consulting engineers; appraisal companies; suppliers of protective services and devices; fire departments; police departments; public adjusters; medical profession; lawyers and tax consultants; contractors; actuaries; and outside associations.

First Half Auto Accidents Cost $173 Million In N. Y.

The New York motor vehicle bureau estimates the cost of automobile accidents in that state for January through June, 1961, at $173 million. This is based on a method of computation devised by National Safety Council.

The council has determined that for every fatal traffic accident there are 55 personal injury and 200 property damage accidents. The average cost nationally is $30,000 for a fatal accident, $1,600 for one involving personal injury, and $300 for property damage accidents.

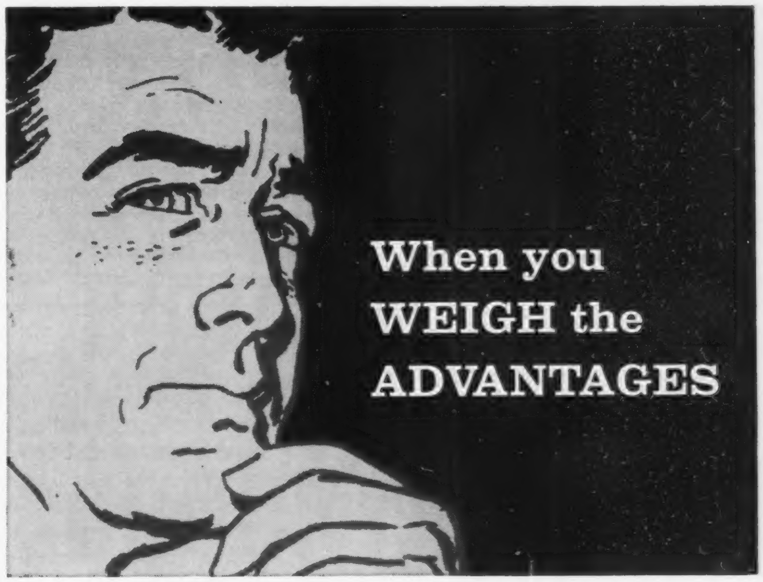
The New York figures were modified for a different occurrence ratio, one of 1-99-96. There were 156,652 accidents in the state in the first six months—798 fatal, 78,866 personal injury, and 76,988 property damage.

Record Fire Safety Effort

To assist communities in fire safety promotion efforts, National Board this year has sent out 22 million pieces of literature, including 1.5 million copies of the 1961 Fire Prevention Week poster. The latter was on display Oct. 8-14 in every post office in the country, in most public and private schools, in civic buildings, and in places of business.

In addition to its Fire Prevention Week activities, National Board this year will distribute additional large quantities of pamphlets and home fire safety check lists. These are given to children during fire safety talks in school and are taken home so that the children and their parents can sit down and decide whether or not the home has fire hazards which can be eliminated.

Genesee Pond of Blue Goose was formally installed in ceremonies at Rochester, N. Y. Officers named are G. R. Kells, Pearl-Monarch, MLG; T. O. Olson, General Adjustment Bureau, supervisor; S. E. Hodge, Agricultural, custodian; H. G. Stieler, Reliance, guardian; B. A. Rassman, Pacific of New York, keeper, and R. T. Searing Jr., independent adjuster, wielder.



you'll want to move ahead with us!

With Ohio State Life you get complete coverage . . . Life — Par and Non-Par . . . A & S and Hospitalization . . . Group. Add the highest lifetime service fee in the business for the career underwriter . . . fully vested renewals for 9 years . . . top 1st year commissions on par and non-par policies . . . agency office allowance . . . non-contributory pension plan . . . operating capital for new agents. Write today for complete details on these and other advantages.

FRANK L. BARNES, President
HOWARD W. KRAFT, V. P. & Director of Agencies

THE OHIO STATE LIFE Insurance Company
COLUMBUS 15, OHIO
LIFE • ACCIDENT & HEALTH • GROUP

Licensed in: Ala., Ariz., Calif., Del., D. C., Fla., Ga., Ill., Ind., Iowa, Ky., Md., Mich., Minn., Mo., No. Car., Ohio, Pa., Texas, Va., and W. Va.

YANKEE RELIABILITY

From Bunker Hill up into the Green Mountains, and down to the shores of Champlain and Ticonderoga, New England patriots lived up to what was expected of them. The Peerless Insurance Company faces its responsibilities to Independent Agents in the same way. Recognizing the value of such qualities as integrity...dependability...and service, it makes them freely available today.

In The Finest New England Tradition of Service · Modern Multiple-Line Coverages · Bonds and Burglary · Fire and Inland Marine Accident and Health · Casualty and Liability Lines · Reinsurance

PEERLESS INSURANCE COMPANY KEENE, NEW HAMPSHIRE

Program Ready For Ill. Agents Annual

(CONTINUED FROM PAGE 16)

prevention committee of National Assn. of Insurance Agents.

Monday morning will be devoted to the annual membership meeting, followed by a luncheon at which the speaker will be Kenneth McFarland, educational consultant and guest lecturer General Motors. At the first general session that afternoon, there will be a panel, the title of which has not yet been announced. Among the participants will be Director Joseph S. Gerber of Illinois and H. W. Mullins, Rockford, state national director. Also, George Faunce III, president of Afco, will speak on premium financing. Monday evening is open.

Tuesday morning there will be simultaneous breakfasts for the large lines and rural agents. Speaking at the former will be Eldred Koenig, assistant vice-president Geo. F. Brown & Sons, on "General Liability—Exposures and Coverages." The rural agents will hear Bernie Jacobs, American group production manager, Decatur, on account selling and the farmowners program.

Forcier To Speak

The second general session will follow the breakfasts and will include a panel on the assigned risk plan; a talk by Valmore Forcier, coordinator of the NAIA national advertising program, on the 1962 ad campaign; an address on "Time, Tools and Temperament" by Bill Gove, who operates his own research and development organization, and a talk on "Where Do We Stand?" by John R. Barry, president Corroon & Reynolds.

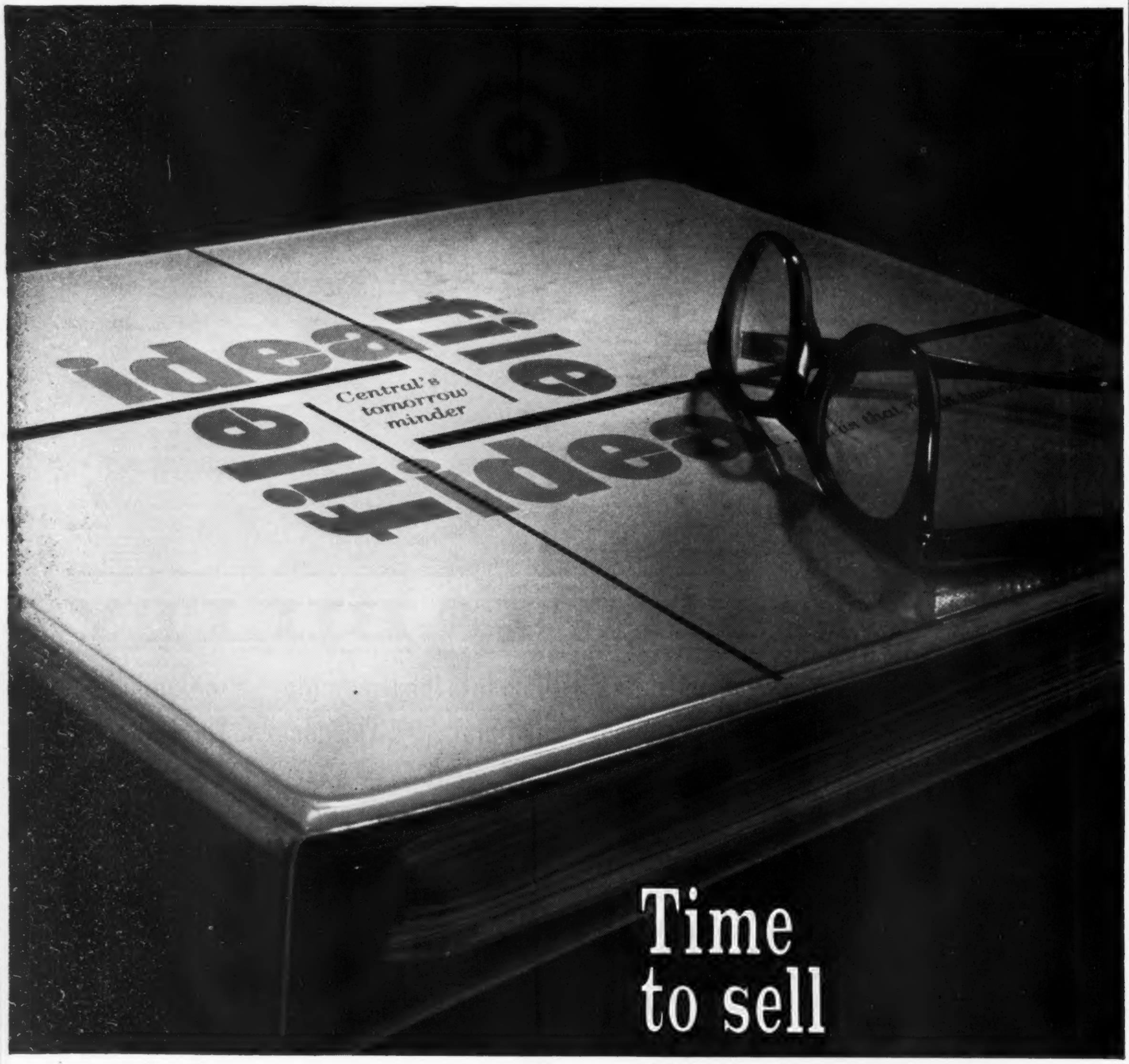
Panel members will be Edward J. Thau, manager Illinois Auto Assigned Risk Plan; James Rupp of Creighton-Jackson agency, Decatur, chairman of the Illinois association's casualty and surety committee, and Henry Birrens, automobile superintendent Employers Liability. Donald W. Perin, Chicago, chairman of the association's automobile committee, will act as moderator.

The formal portion of the program will end at the third general session Tuesday afternoon with reading of the resolutions and installation of officers. That evening there will be a banquet, floor show and dance. There will also be a special program for the ladies running throughout the meeting.

Do you have a big book of selling ideas?

The Central producer does. He's a one-man advertising agency with the Central *Idea File*, a portfolio of 101 different selling aids. This huge book (available when needed) contains eye-catching ad mats, colorful folders and brochures, dozens of other valuable items. He simply orders what he wants . . . absolutely free. No two ways about it: Central's *Idea File* is the best local level program in the business.

If you want to promote your agency without breaking the bank . . . *it's time to sell Central.*



CENTRAL

MUTUAL INSURANCE COMPANY • Van Wert, Ohio

A Tomorrow Minded, Multiple Line Company

Branch Offices in: Atlanta • Boston • Dallas • Denver • Los Angeles • Montreal • New York • San Francisco • Toronto

Safety Engineers Elect Grimaldi President At Chicago Convention

John V. Grimaldi, General Electric, New York, was elected president of American Society of Safety Engineers at the annual meeting in Chicago.

Other officers elected include Michael F. Biancardi, Allis-Chalmers, Milwaukee, 1st vice-president; Edwin B. Locke, Texas Employers Insurance Assn., Dallas, 2nd vice-president; A. C. Blackman, managing director ASSE, secretary, and Frank E. Laderer, Nationwide, treasurer.

Three members-at-large to the executive committee were elected: Holly P. Bradley, Service Pipe Line, Tulsa; Lee B. Johnson, Northrop Corp., Hawthorne, Cal., and W. Eugene Stuffing, Carrier Corp., Syracuse.

The society is observing its 50th anniversary this month. It was founded in October of 1911 in New York City—the oldest national safety organization in the United States. With headquarters in Chicago, the society has 76 chapters located throughout the country and Canada. It has a world-wide membership of more than 7,300 safety engineers.

Holtzman To Pittsburgh, Webb To Allentown

Great American has appointed Giles Holtzman special agent in Allegheny County and southwest Pennsylvania. He succeeds Special Agent J. F. Webb, who has been transferred to the company's east central Pennsylvania territory.

Mr. Holtzman will serve under supervision of Manager Richard B. Urda of Pittsburgh and will operate out of that office. He has had extensive training in underwriting and completed the home office training program.

Mr. Webb succeeds Robert W. Fuller, resigned, and will have headquarters at Allentown. He will serve under the supervision of Manager Robert W. Zoller at Philadelphia.

GAB Raises Fontenot In La.

General Adjustment Bureau has promoted J. W. Fontenot to manager at Natchitoches, La., to succeed W. B. Gilbert who has been transferred as an adjuster to Texarkana. Mr. Fontenot had been at Opulousas, La.

Robert C. Odle has purchased the interest of John G. Robbins in Walker, Odle & Robbins, general lines agency at Port Huron, Mich., effective May 31. Mr. Odle will then become sole owner, doing business as Walker & Odle. Mr. Walker, founder of the agency, died several weeks ago.

N. Y. Sets Hearing On Rate Plan Rejection

North America has appealed to the New York department on the rejection by National Bureau and New York Compensation Insurance Rating Board of the company's rating plan for general liability and workmen's compensation in connection with the New York City Housing Authority's construction projects. A hearing will be held at the department Oct. 31 at 10 a. m.

The proposal in controversy is a retrospective rating plan for general liability and WC exposures of the authority and its contractors and subcontractors in combination, to the extent that such exposures develop in the course of authority construction projects started within a three year period.

—

Motor Club Formed, Service Will Be Sold By Producers

Auto Owners Motor Club has been formed with Edward Cirlin, president of Kings County (N.Y.) Brokers Assn., as president. The club will provide emergency repair, towing, tire and skid chain service, reimbursement for towing service, personal accident insurance, reimbursement for bail bonds, free collision estimating, damage photography and new car purchase service.

Membership in the motor club will be sold through insurance agents and brokers, and they will participate in the organization. The club, which has offices at 2 Ocean Parkway, Brooklyn, will conduct a safety program and provide vacation travel counseling and other services.

—

William Doyle, insurance counsel of Boston, who recently retired from Liberty Mutual after many years as trial and general attorney, legislative counsel and vice-president, will deliver the major address at the opening of the annual Hemispheric Insurance Conference in Lima, Peru, Oct. 21-28.

Confidence...

Your client's confidence is your most valuable asset. Where property values are in question, always refer your client to a nationally known, reliable appraisal firm.

THE LLOYD-THOMAS CO.

Recognized Appraisal Authorities

HOME OFFICE:
4411 Ravenswood Avenue
Chicago 40, Ill.

FACTUAL APPRAISALS

REPRESENTATIVES COAST TO COAST:

Buffalo	Detroit	Milwaukee
Cincinnati	Grand Rapids	Minneapolis
Cleveland	Houston	New Orleans
Columbus	Indianapolis	New York
Dallas	Kansas City	Pittsburgh
Des Moines	Louisville	St. Louis
	Los Angeles	

Executive Changes At National Board

National Board has promoted four and realigned responsibilities.

W. Victor Slevin, Pacific Coast manager, has been named assistant general manager in charge of Pacific Coast operations.

John Davidson has been named assistant manager of the board in charge of office management and administration. He has been assistant secretary.

Frederick W. Westervelt Jr., assistant secretary, has been placed in charge of personnel and public relations activities.

Boyd A. Hartley has been named assistant secretary in charge of the administration of the Chicago office. Previously he was administrative assistant in charge of engineering work in the midwest. He will continue as head of engineering activities in Chicago and the midwest, in addition to his new duties.

Biographies

Mr. Slevin, former FBI agent, was with the board's arson and adjustments departments in San Francisco and New York before becoming west coast manager in 1959.

Mr. Davidson has been with the board since 1953. He is a member of Montclair (N.J.) building code review committee and on the Montclair school system science committee. He is past president of Montclair Society of Engineers. Before joining the board he was an engineer with Western Electric Co. and a management consultant with Booz, Allen & Hamilton, New York.

Mr. Westervelt has been in the business since 1925. He joined the business development office of Insurance Executives Assn. in 1941, and became manager of the public relations department of General Adjustment Bureau in 1946. He joined the board in the same capacity in 1956, and became assistant secretary last year.

Mr. Hartley joined the board in 1948 as a field engineer. In 1950 he became an administrative assistant in the board's general office and last year was transferred to Chicago to take charge of the engineering department's midwest activities. He is a licensed professional engineer and is active on committees of National Fire Protection Assn.

—

Taylor In Richmond Post For Aetna Cas.

Edgar N. Taylor has been named general manager of the Richmond office of Aetna Casualty. He has been manager there since 1940. His new appointment comes in connection with the unification of the company's casualty, fire, marine and bonding operations. He joined Aetna Casualty at Philadelphia in 1921 and subsequently served as superintendent of the bond departments at Springfield, Mass., and Atlanta. He was named assistant manager at Atlanta in 1931 and later was Louisville manager six years before going to Richmond.

He was the first president of Virginia CPCU chapter and is chairman of the executive committee of Casualty & Surety Assn. of Virginia.

—

Ideal National of Salt Lake City has been admitted to California and now operates in eight states.

—

Crown Ins. of Huntington, W. Va., has been licensed in Michigan.

"ANOTHER SUCCESS!"

reports Preston M. Bacon, The Bacon Co., Inc., St. Paul Agent, Newton, Kansas

ST. PAUL BUDGAPLAN KEEPS ACCOUNTS FROM DISAPPEARING

"It's a fact—I've never lost an account that I had under the St. Paul Budgaplan. And it's eliminated collection problems wherever I've used it!

"What's more, when people have their insurance set up on monthly payments like their utilities, they can afford a better insurance program. They pick up coverage they've never had before!"

For policyholders, St. Paul's Budgaplan is the simple, convenient, economical monthly premium payment plan.

And you, the agent, can add policies to the plan as they are issued. What's more, there's no monthly detail work: *your* name appears on all bills, but payment is made directly to the St. Paul.

Get the complete story on profitable Budgaplan sales. Call or write your nearest St. Paul Office.

HOME OFFICE
385 Washington St.
St. Paul 2, Minn.

NEW ENGLAND DEPARTMENT
10 Post Office Square
Boston 2, Mass.

EASTERN DEPARTMENT
90 John Street
New York 38, N. Y.

PACIFIC DEPARTMENT
Mills Building
San Francisco 6, Calif.

The Agency System . . . An American Tradition

Minnesota Agents Elect Fogel President

(CONTINUED FROM PAGE 1)

association's popular executive secretary, Marge Guemmer. Although she much prefers to remain on the sidelines after the action begins, there is little doubt that the members recognize her value; and, indeed, she was given a standing ovation at the final day's luncheon.

Attendance this year was slightly more than 300—which was up from last year, but no record.

Although direct billing may be anathema to many agents, it is obvious that some form of automated accounting will be necessary to afford the individual agent time in which to get out and perform his primary function—selling.

This was the general opinion of both the participants in Monday morning's automated agency accounting session: Robert Burns, president American Agency Management Bureau, Washington, D.C., and Eugene A. Toale, secretary Recording & Statistical Corp., New York.

Mr. Burns said his presentation might very well be subtitled "How To Beat The Commission Cuts," and was meant for those agents who found it difficult in recent years to increase their net profit despite the acknowledged fact of a definite increase in their business.

He is, the speaker said, constantly amazed at how two agencies in the same town, both doing a similar total business and each of equal size, can still show a difference in net income of approximately 20%. Weak spots in the agency are the answer, and the two main deficiencies in most agencies are in the office payroll and in the total sales experience of the agency force.

Telephone expenses, in particular, are usually out of line. Although it is necessary for agents to occupy themselves with social contacts in related areas—the local and national associations, Kiwanis, etc.—they usually forget to charge these associations for the many phone calls which are made on their behalf.

Aptitude testing, Mr. Burns suggested, is a must for agency employes. Far too many employes are doing the wrong job; far too many are only too obviously the proverbial square pegs in round holes. These people are not helping the agency—or themselves.

Employes should be paid enough. Generally speaking, the employe earning a better salary does a better job. Pinching pennies is certainly not the way to acquire the type of employes that a growing, progressive agency must have in these very competitive times.

The agent must get out and do a better job of cultivating his accounts. He must improve the coverage premium per policy. Far too many agents feel that once a policy is sold he need only service the insured. Actually, every time he does service the insured he should attempt to increase limits, add coverages, suggest other policies.

Mr. Burns said it is extremely important to reduce the agency's operating expenses without, on the other hand, sacrificing the services the independent agent prides himself upon.

If the direct writer is to be beaten, the agent must be enabled to get out of the office more often and thus increase his possibilities of additional sales. A quota for daily sales should be set, and this quota, once agreed upon, must never be superceded by office routine or office details.

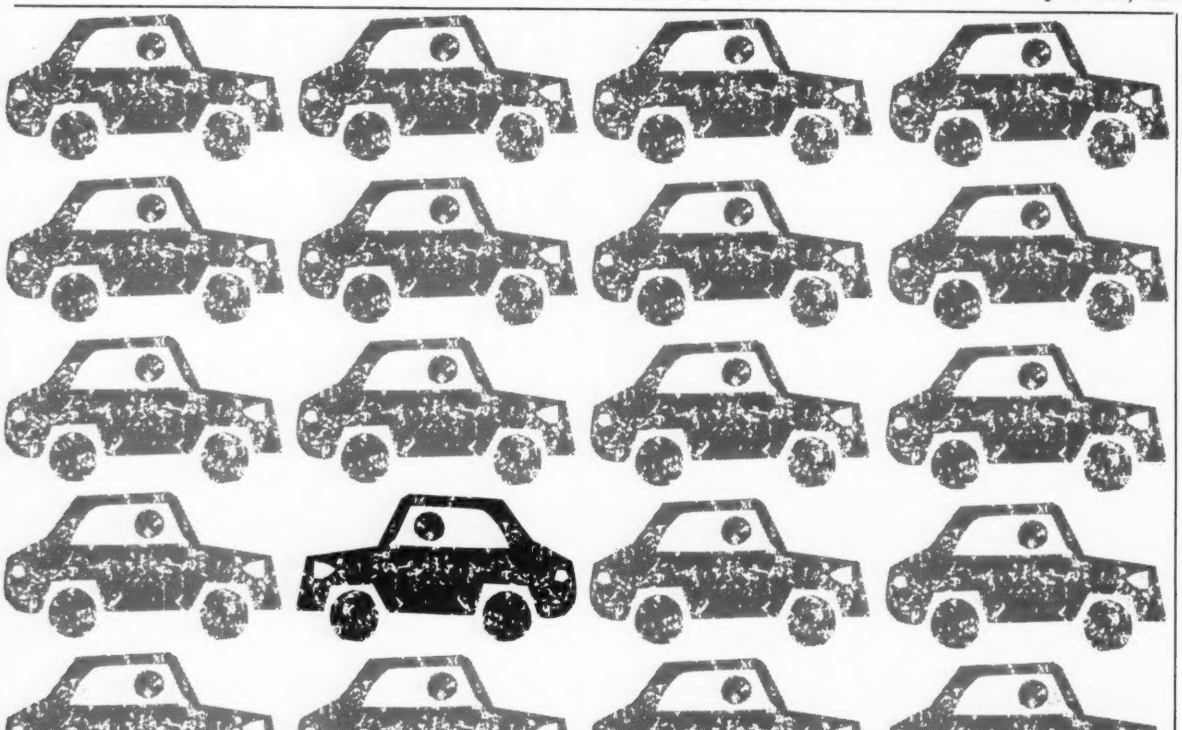
If the independent agent is to stay "alive" at this point in his history, he must avoid sticking too closely to office systems and methods that have long been judged out of date.

However, to shift his agency to a more automated basis, the agent must make sure that its internal order is in good shape. Many agencies have allowed countless thousands of dollars to slide down the drain because they simply were unprepared for the change to automation.

Data processing, Mr. Burns stated, has not only become big business for industry and government, but it has also become essential to today's management of insurance agencies. Bookkeeping by machine-accurate methods is not an additional expense, but a way to use time in such a manner as to insure greater profits. The decision, therefore, is a matter of choosing the best automated machine bookkeeping that will create greater profits for the individual agency.

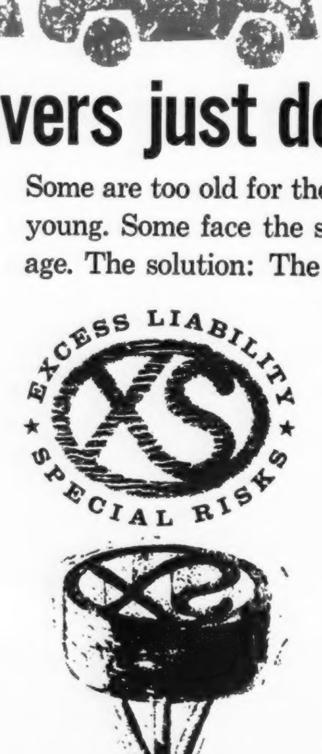
Mr. Toale, in a presentation whose content, when it was concerned with the need for automated agency accounting, was substantially that of Mr. Burns', said that to the extent to which the agent accepts direct billing he so endangers his position as an independent agent.

About the only "bug" in automated agency accounting that he has ever run across, Mr. Toale remarked, is when the employe who is going to handle the system becomes hostile towards it. Some employes feel they are somehow less important when the



Some drivers just don't fit the pattern...

Some are too old for the liability limits they want. Some too young. Some face the same problem for reasons other than age. The solution: The Fund Insurance Companies. Here a complete Excess and Special Risk Department unravels knotty problems, offers surprisingly low rates and high limits. And this service is available to all agents and brokers. Contact the fieldman from The Fund in your area. He'll gladly send you a rate card.



The FUND Insurance Companies
FIREMAN'S FUND INSURANCE COMPANY
HOME FIRE & MARINE INSURANCE COMPANY
NATIONAL SURETY CORPORATION

Excess Liability and Special Risks available in most states

system is put into an agency and actually throw a monkey wrench into it. Recording & Statistical finally had to cancel one agency out because the girl handling the system there deliberately mishandled about 85% of the items she put through.

Dayson O. DeCourcy, assistant superintendent of sales promotion, life, A&S agency department, Travelers, made a strongly worded appeal to the agents to sell life insurance.

Selling Is Obligation

Mr. DeCourcy said that selling life insurance is more of an obligation than an opportunity. It is also a privilege. And if the agent is unable, for one reason or another, to sell life he should avail himself of a special agent who will.

A good many attempts have been made to get good fire and casualty agents to sell life, but these have been mostly unsuccessful. Too many of these agents are making a comfortable salary and simply aren't interested in learning and selling a wholly different line of insurance.

It is true, of course, that property insurance is more often asked for than is life insurance. Accordingly, the obligation to sell life is even more sharply stressed.

However, Mr. DeCourcy said, even if the agent fails to get excited about the monetary rewards involved in selling life, he should sell it simply because of the personal satisfactions that inevitably result when such a sale is made.

There is, however, an even more practical side to this question. In former years, it was the custom for an insured to put his property and casualty coverages in one company, his life coverage in another. This is no longer the case. One stop selling, with its undeniable convenience and economy, is now appealing strongly to the insurances business. Such selling is no longer in the experimental stage; it is a solid, substantial fact.

Fewer Single Line Agents

Mr. DeCourcy said the agent selling only a single line, or perhaps two, is becoming increasingly obsolete. Property agents are acquiring a life outlet even as more and more life agents are being drawn to the property lines. Furthermore, as a recent survey in the Wall Street Journal pointed out in the three year period (not including 1960) 50 non-life companies had entered the life field.

Roy A. Duffus, vice-president James Johnston agency, Rochester, N. Y., asked the agents in an afternoon session "How's Your 'Independent' Service?"

Agents today, Mr. Duffus stated, must be organized in every aspect of their operation. Agents with a casual approach to organization are not out of the business—or will be soon. Particularly vital to agents are education, training, experience and contacts.

Perpetuation of an agency is essential. But how many older agencies are preparing for any kind of changeover? The importance of bringing younger men into the agency cannot be overemphasized. In fact, some insured do not like to do business with a one man agency, feeling that he may not be around tomorrow.

The agency should be made a pleasant place in which to work, Mr. Duffus suggested. Regular office meetings should be held, with everyone in the agency encouraged to come and participate. Make the entire agency force feel as if they were truly a part of it, and necessary to its eventual success.

The company-agency relationship has come in for a good deal of discussion these days, but has anyone suggested that agents might occasionally address a company meeting? Company men at an agent's convention are no novelty, and they are often used in the capacity of speakers. This is not the case with agents and such a breakdown of communication is not in the best interests of the business.

H. H. Nelson, agent at Council Bluffs, Ia., and a member of National Assn. of Insurance Agents' executive committee, was the guest speaker at the first day's luncheon. His address will be run separately.

The entire final morning session was devoted to a "Personal Development Seminar." This was conducted by Thomas H. Lawrence, of Lawrence-Leitner & Co., Kansas City.

Mr. Lawrence said that sales leadership is based on both skill and understanding in getting along with others. Leadership is a function that depends on these fundamentals:

—Develop emotional maturity. It is a primary demand of leadership. The obligation is always upon the teacher, supervisor and leader to understand the other person, not on the other person to understand the leader and his problem.

—Evaluate human dealings in terms of intelligent self-interest. The question must be asked: "Is this action to my intelligent self-interest?"

—Recognize that the leader must make decisions. The fear of being wrong usually results in no action at all. One's growth as a leader and salesman will come from building enough emotional stamina to face one's mistakes—and from them developing judgment.

Patience, Tolerance

—Be patient and tolerant; dismiss personal grudges promptly.

—Learn to sustain oneself on less praise than is really deserved. This is a tough demand on leadership, but the further up the ladder one climbs, the fewer people there are to say what a good job one is doing.

—Deliberately overestimate the importance of the other person's point of view. One of the most important qualities of salesmanship and leadership is the ability to listen through the other person's story; to avoid over-emphasis of one's own views and opinions.

—Take a genuine interest in other people. Perhaps the most important rule for developing personal leadership is: You can make more friends in a day by taking an interest in others than you can make in a month by trying to get others interested in you.

Reports by committee chairmen con-

Ga. Field Men Elect

Insurance Fieldmen's Assn. of Georgia has elected William A. Beckham, Great American, president. Other new officers are Irvin M. Massey, Rives, Massey & Hedges, Atlanta, vice-president; William L. Hubbard, Hanover, secretary; T. K. Carleton, Royal-Globe, treasurer, and David Austin, Aetna Fire, chairman of the executive committee.

The organization's November meeting will be a joint one with Mariners Club of Atlanta and Southern Casualty & Surety Assn.

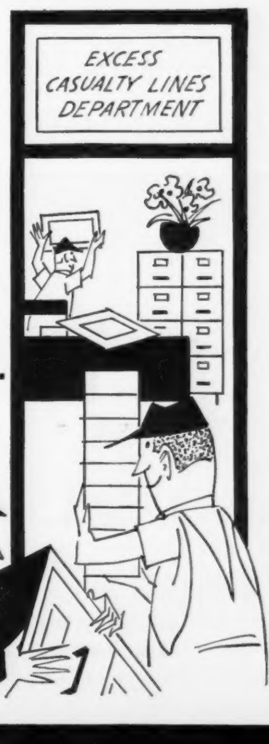
Something is cooking for You at Celina!

Celina Mutual— Multiple line agency company— traditional agency operations. Competitive rates. Writing insurance in Colo., D. C., Ill., Ind., Ky., Md., Mich., Ohio, Pa., Va. and West Va.

National Mutual—Writing "Economy Plan Insurance." Automobile, Fire, Homeowners. The ideal plan for the price buyer wanting quality coverage on an easy pay plan. We do the paper work while you're out selling! You sell in volume; we do the billing. You own the expirations. Openings for agents in Ind., Ky., Md., Mich., Ohio, Pa., Va., and West Va. National Mutual writes Fire, Homeowners, Inland Marine and Personal Liability on annual and three year plan in Wisc. • Aggressive agency companies looking ahead, developing coverages to meet your market needs and helping to make more profit dollars for you. For facts on plans, coverages and commissions, write to: CELINA INSURANCE GROUP, 315 S. Main St. Celina, Ohio.

THE HOME INSURANCE COMPANY ANNOUNCES THE FORMATION OF ITS NEW

EXCESS CASUALTY LINES DEPARTMENT...



...TO PROVIDE ITS AGENTS WITH MODERN FACILITIES FOR INSURING FIRMS WHOSE BUSINESS NECESSARILY INVOLVES EXTRAORDINARY OR UNUSUALLY LARGE RISKS.

With this new facility, The Home makes it easier for you to build volume in the domestic excess market. You need not be bothered with legal problems, special affidavits, and tax problems. By offering a policy that has been approved by the various state insurance departments, The Home has eliminated these trouble spots for agents.

Now that you can offer this service, it will pay to look into the opportunities that exist in your community. Likely prospects are:

☐ public utilities ☐ contractors ☐ trucking firms ☐ banks
☐ heavy manufacturers ☐ bus companies ☐ theatres
☐ department stores ☐ and many others

If you would like more information on how this new Department can be of use to you, we'd be glad to hear from you. Just call or write—

EXCESS CASUALTY LINES DEPARTMENT
Home Insurance Company,
59 Maiden Lane, N. Y. 8, N. Y.
WHitehall 3-2200

INSURED HOME NEW YORK

tained these insights into the association: Membership is not increasing the way it should and all present were urged to secure one additional member; the legislative committee was successful in seeing the broker's qualification bill become law and much of its safety legislation was passed—however, an anti-coercion bill and the fire deviation bills failed of passage; the education committee awarded its $500 scholarship to Miss Marjorie L. Swaidner, Macon; and the public relations committee hopes to endow a chair of insurance at the University of Missouri.

Hospitality suites were in delightful abundance: American group, Zurich, New Amsterdam Casualty, Hawkeye-Security, United Security, Kansas City F.&M., Sayre & Toso, Fairfax Underwriters, American Casualty of Reading, Springfield companies, Western Casualty & Surety, Bituminous Casualty, Hartford Fire, Aetna Casualty, Bankers National Life, Pacific Indemnity, Travelers, and U.S.F.&G.

Fidelity & Deposit not only provided for all the coffee breaks; they also joined with Continental Assurance in offering a continental breakfast.

Nelson Blasts No Prior Approval As Leading To Destructive Competition

Far from leading to equal competition, the acceptance of the no prior approved rate), would have an opporlead to destructive competition—and anything that is destructive with regards to companies and agents will be reflected to the public.

This was the opinion of H. H. Nelson, agent at Council Bluffs, Ia., and a member of National Assn. of Insurance Agents' executive committee, as he addressed the annual convention of Missouri Assn. of Insurance Agents in Jefferson City.

The advocates of no prior approval contend such a change in the rate laws is necessary because elimination of prior approval will provide an equally competitive opportunity for all companies and agents.

However, Mr. Nelson believes, even if prior approval were eliminated from the rating laws, legislators would never repeal that section of the law requiring that rates be adequate—not excessive or discriminatory.

Assuming that all commissioners would insist that companies comply with it, it would appear that the agent who represented companies that made filings that were subsequently disapproved (and had been using the disapproved rate), would have an opportunity for equal competition that was somewhat awkward and expensive.

The speaker said the procedure of file and use of no prior approval, as he understands it, is that any company or filing organization would have the right to file a rate with a department and use the rate immediately. The rate would be effective for 90 days, even if it were disapproved at a later date. There is no retroactive provision for correction of the rate if it is found to be inadequate, excessive or discriminatory. Minor changes in the filing will remove departmental criticism of the previous filing—thus a change would constitute a new filing.

Could Be Extended

It is conceivable that a contested filing could be extended indefinitely. Would this kind of procedure be in the best interest of the public, the companies and the agents? No: a chaotic condition could be created.

Because all rates and forms must be ultimately approved by the individual departments, it does not necessarily mean that prior approval will enable all companies and agents to compete on an equal basis. Some competitors will always have a rate advantage.

Mr. Nelson asked: "Are your companies prepared to engage in more severe rate wars?" Proponents of no prior approval say such rate wars are unlikely. That, however, depends upon the interpretation of what a rate war actually is. Flash filings made to buy business to be re-underwritten later, or loss leader business bought at reduced rates, filing to be supported by huge surpluses not based on underwriting results, seem to be ingredients that go into making rate wars.

The speaker said he recently heard a vice-president of one of the largest auto insurers in the country indicate that the smaller insurers had to go. This company, incidentally, does not write across-the-board business. This statement would lead one to believe that instead of a movement to create competition, a move is being made by the large companies to better control it.

It is granted that because of the number of companies represented, it is much more complicated and slower to get all companies to respond simultaneously to a given situation, but it must be borne in mind that it is not only the number of companies involved when a filing is proposed that is of concern. It may be that all companies may not need the desired rate adjust-

Now available to Hartford Group Agents–life insurance bearing the famous Stag symbol

A full line of sales aids will help you tell The Hartford Life Insurance story.

THE HARTFORD INSURANCE GROUP
Hartford 15, Connecticut

HARTFORD FIRE INSURANCE COMPANY • HARTFORD ACCIDENT AND INDEMNITY COMPANY • HARTFORD LIFE INSURANCE COMPANY • HARTFORD LIVE STOCK INSURANCE COMPANY • CITIZENS INSURANCE COMPANY OF NEW JERSEY • NEW YORK UNDERWRITERS INSURANCE COMPANY • TWIN CITY FIRE INSURANCE COMPANY

ment at the same time.

People, and particularly the Kefauver committee, are not without knowledge concerning insurance—some of the biggest and more vigorous proponents of prior approval have given generously of their time and knowledge to the committee. It could be, however, that the committee did not receive an unbiased education on the subject.

No Coincidence

It is felt by some that since the bill to establish a new rate law has been introduced in Washington, D.C., it amounts to a mandate to the other states to follow suit. Perhaps the states will be forced to do so under federal regulations. Before this theory is accepted, it should be remembered that it is no coincidence that the Washington bill is similar to proposals made by the various bureaus and National Assn. of Independent Insurers.

There seems to be, Mr. Nelson stated, a deliberate and organized effort to eliminate and elude state regulation and the authority of the insurance departments. It is now time for agents to begin to decide what kind of legislation they are going to support or oppose. This cannot be put off until legislative sessions start, because proponents and supporters of changes in insurance rating laws will have long been preparing and will be ready.

Agents must demand to be shown and guaranteed that the proposed change in rating law will benefit them. And as they and their companies are concerned about improved economical procedures and efficiency, it can be imagined what the result will be to both agents and the public if neither can be sure of the rates that are quoted and used.

J. H. Lea & Company has gained world-wide recognition for its ability to translate knowledge into action. A roster of distinguished clients is testimony of its ability to provide sound, objective counsel on the "How," "When" and "Why" to reinsure. Add to this a comprehensive understanding of markets—all with exceptional capacity—and you have a formula of unbeatable dimensions. Write us today!

TREATY · FACULTATIVE

J.H. LEA & CO. INC.

209 South LaSalle St. · Chicago
ANdover 3-6232

J.H. LEA & CO. LTD.

81 Gracechurch St. · London

Chicago Luncheon For Fire Prevention Week

The fire prevention committee of Chicago Assn. of Commerce & Industry held its annual fire prevention luncheon recently. Co-sponsors were the local chapter of Society of Fire Protection Engineers, Chicago fire department, Greater Chicago Safety Council, Cook County Inspection Bureau, Chicago Civil Defense Corps and Chicago Board of Underwriters.

Elmer F. Reske, manager Cook County Inspection Bureau and chairman of the fire protection committee, presided at the luncheon. Guest speaker was Fahey Flynn, CBS news commentator in Chicago, who recalled the Chicago fire and the lessons in positive prevention it had provided. The luncheon marked the 90th anniversary of the great conflagration.

Mayor Daley of Chicago also spoke. A special feature of the luncheon was a series of selections by the fire department's barber shop choral group.

Tampa Wins N.A. Prize

North America's Tampa office placed first in the company's Word to the Wives advertising and sales promotion program held in July and August to end the summer sale slump and 'add fun and excitement to insurance selling.'

Competition was based on number of policies submitted in relation to the total agency force in each service office territory. Service office personnel helped boost sales of 15,000 agent 5% over the same eight weeks of 1960.

Two prizes were awarded company employes. Henry R. Liggett, 31 years with the company and manager of the Miami claim and loss office under Tampa's jurisdiction, received a mink stole. Miss Lynn Offenhauser, Tampa, received a certificate for a wardrobe of her choice. Presentations were made by Norman R. Holzer, assistant secretary. S. Duke Pearson is Tampa manager.

Phoenix Of Hartford Names Perkins, Caveney, Hilton

Phoenix of Hartford has advanced William H. Perkins from special agent to state agent at Rochester, N. Y. He joined the company there in 1960.

Thomas F. Caveney, with the company since 1959 as an underwriter, has been appointed special agent at Rochester.

Richard T. Hilton, state agent at Omaha, has been transferred to the Cincinnati district office. He joined the company in 1952 in the home office inland marine department, became special agent in Ohio later that year and state agent in Nebraska in 1956.

N. Y. Losses Increase

For the first eight months of 1961, New York Board reported an 8.7% increase in the number of losses assigned to its committee on losses and adjustments and a 12.4% increase in amount. In August there was a 34.6% decrease in number but the amount increased 27.7%

Sprinkler leakage losses in the first eight months have risen to 160 for $635,665 from 99 losses for $118,185 in 1960.

S. M. Arnold Jr., formerly with the Nashville agency of Kibrough-Phillips, has been named manager of the Donelson agency. Mr. Arnold formerly was 11 years with the J. E. Lutz & Co. agency at Knoxville.

Will his present insurance cover today's higher property values?

● Keeping insurance in line with rising values has been a matter of concern to business property owners for well over fifteen years. In this period the effect of the substantial inflation in general price levels has been a corresponding rise in the replacement costs of commercial property.

These replacement costs now stand at the highest level since 1940!

To the client faced with the risk of underinsurance—to the agent as an insurance adviser—there is no alternative but an upward adjustment in amounts of insurance. And it's here that mutual savings can be of help in stepping protection up to safer levels; or, in providing needed, supplementary coverage.

As we see it, nothing less than full protection will do for your clients in the present situation. Why not be in a position to provide it on an economical basis, as well as claims and loss prevention service of demonstrated efficiency. Write the nearest office for full information on our AGENCY PLAN—*it measures up in every respect.*

Grain Dealers Mutual

INSURANCE COMPANY

Indianapolis 7, Indiana

Western Department: Omaha 2, Nebraska

FIRE · CASUALTY · AUTOMOBILE · INLAND MARINE

NATIONWIDE SERVICE

PRINCIPAL OFFICES:
LOS ANGELES·BOISE·MINNEAPOLIS
SAN FRANCISCO·DALLAS·CHICAGO

ARGONAUT INSURANCE CO.

Home Office: Menlo Park, California • WORKM... LIABILITY ... Y & SURETY BONDS • through agents and brokers

Proper Financial Statements Often Can Aid Contractors

(CONTINUED FROM PAGE 18)

$23,000 claimed by the contractor. Under the terms of the contract, the owner didn't really owe the contractor anything until the contractor had performed the work. So, in accordance with the provisions of the contract, the contractor only claimed $23,000. This represented the work performed by him up to the date of billing the owner. When this was explained to the owner, he readily confirmed the $23,000 claimed by the contractor in his statement.

The purpose of the financial statement is to determine how many actual dollars are possessed by the contractor, or can be collected by him, to pay bills he may owe. In addition, it is desirable for the statement to show the status of each contract under way without incorporating this information in either the liquid assets or liquid liabilities.

A further difficulty is the lack of clarity in contractor's statements with respect to the actual cash situation on all the contractor's operations. These should be itemized as to each separate contract, along with such identifying information as the name of each owner and the owner's address, the amount currently (as a result of the previous month's work) due the contractor, which item should also include the retainages earned by the contractor but held by the owner until the job is finally completed and accepted by him. These retainages, though fully earned, would not ordinarily be payable until the contract is completed and accepted by the owner. However, as an earned item they should be included as they are bankable. Jobs which are small, for repairs or remodeling, may not be the subject of a written contract, but are more frequently based on a verbal agreement, should be shown as Time & Material with amounts or amounts earned and due as of statement date.

Separate Columns

To properly show all this information it should be arranged in separate columns. The sheet should be labeled Accounts Receivable and the columns properly headed and identified, viz., column 1 owner's name and address, column 2 amount of contract, column 3 amount paid to date, column 4 current due, and column 5 completed to date. Column 5 would always be the total of columns 3 and 4. Only the total of column 4 should be carried to liquid assets in the statement. At the bottom of the sheet should be noted as follows:

Column 2 minus column 5 (with the respective totals set up) and the sum remaining should be indicated as Amount of Work on Hand Uncompleted. Included in the column 4 under Current Due should be the total of estimated taxes paid quarterly to statement date. Also, to be included in column 4 is amount of work done but not billed.

A statement of accounts receivable prepared in this manner would show the complete business condition of any contractor applying for credit. Arranged neatly and in orderly columns, it would make a tremendous impression on any banker. Surety companies could quickly determine the over-all condition of a contractor's business as respects the total amounts of all contracts, the sums currently due the contractor and the amounts completed on an actual dollar-cash basis. It would not be necessary to resort to estimates of any kind. We don't feel it wise to estimate a profit yet to be earned and include the estimated profit in the current liquids because so often a final completion of the job shows a loss and not a profit. Also, comparison of this kind of a statement with any previous statement for any period prepared on the same basis would quickly show the amount of actual gain or loss in working capital for the periods compared.

Current Liabilities

In Current Liabilities should be shown any sum due the bank for borrowed money and the date due, plus a full list of all amounts due suppliers for material delivered and billed to the contractor. The supplier's list should be labeled Accounts Payable with the name and address of each person or firm to whom money is due and the amount due, including sub-contractors. The total amount of estimated income taxes due the following April should also be shown.

Many argue that no contractor has in reality an inventory. Primarily, an inventory is merchandise held for sale. While a contractor may have material on hand that may be used on a contract some time, it does not necessarily follow that it will be so used. Usually the material stored in a contractor's yard is something left over from previous contracts. For instance, plywood previously used for the construction of concrete forms and lumber used to build safety tunnels for the safe pas-

Get the **PROFIT IDEA** from your Phoenix of Hartford Fieldman . . .

WRAP UP ALL BUSINESS COVERAGES IN ONE PROFITABLE SALE

First from the Phoenix of Hartford: a new concept in business coverage. You sell your commercial prospect all the protection he needs to insure the life of his business – in just one call. New Phoenix Profit Insurance Portfolio contains everything you need to explain and sell the benefits of any combination of these business-saving coverages: Accounts Receivable . . . Valuable Papers . . . Business Interruption . . . Leasehold Interest . . . Rental Value. You tailor the protection to your prospect's needs. Start selling your profitable commercial coverages – ask your Fieldman or write for your P.I. Portfolio today!

For information about representing a Phoenix of Hartford Company, write J. D. Taylor, President.

The **PROFIT IDEAS** come first from **Phoenix of Hartford**

INSURANCE COMPANIES

HARTFORD 15, CONNECTICUT

THE PHOENIX INSURANCE CO. • THE CONNECTICUT FIRE INSURANCE CO. • EQUITABLE FIRE AND MARINE INSURANCE CO.

sage of pedestrians are hardly likely to be incorporated into a finished structure and delivered to an owner though this and similar material may be used again to construct concrete forms and safety tunnels, and their use may reduce construction costs.

Unduly Inflated

When total contracts are included in Liquid Assets, the latter is unduly inflated. Because it is certified as true by reputable accountants it is frequently accepted by sureties as a fact, causing ultimate failure of the contractor and loss to the surety because he is encouraged or allowed to bid on, or finally close, contracts requiring more working capital to finance than he has.

Many of the new and younger contractors can superintend and efficiently and economically conduct erection operations on a large building. They can coordinate many crafts and subcontractors. But they may have practically no understanding of the business end of the operation. Such contractors have to rely on their accountant or attorney. Often the latter don't have the background, experience, or knowledge properly to advise their clients, though they may be experts in their fields.

Also, an accountant should realize the heavy effect of his recommendation that assets are sufficient. If they are not, his recommendation may result in the failure of the contractor and subsequent loss to his surety. This could badly embarrass the accountant, if not involve him in actual loss. Unless experienced in the business end of contracting, it is exceedingly risky for an accountant to express an opinion as to the adequacy of assets or credit facilities of a contractor. It is hard to imagine a more speculative business activity than that of construction.

Proper Tax Pattern

Accountants should also realize the importance of a proper tax pattern for a contractor. The wrong tax pattern can rob the contractor of his liquid assets very quickly, making it impossible for the contractor to finish.

Some contractors are in the easy financial position of many of large national corporations, but not the bulk of them. A large percentage of contractors can always use more money. Much can be done by the accountant to improve the position of their clients (and thus conditions generally in the construction industry) by adopting uniform standards in assembling and presenting accounting information, especially in financial statements. The accountants need to learn something about the business of being a contractor.

Suppose a contractor has $200,000 in work on hand uncompleted in two jobs, and the estimated profit is $20,000. This work all carries a 10% retainage for 60 days. The contractor's statement shows working capital of $20,000.

Can the contractor safely bid on another job of $200,000 that is an immediate prospect with the possibility of another profit of $20,000? Our advice is not to bid the new project because it takes at least $20,000 of additional working capital to handle it and his present available $20,000 working capital is tied up in the $200,000 work presently under way and not completed. If he isn't already "frozen up" on working funds, he will when he takes the additional work.

As a rough rule of thumb that has been safely used in the past, we can assume that the net liquid working capital of a contractor roughly represents one-tenth of his total capacity for work. In other words, his total capacity is 10 times his working capital, always assuming the work to be bid on is in line with the contractor's experience. This matter of experience is important.

Outside Indemnity Unethical

We do not believe it is ethical, though it may be justified at times, to accept outside indemnity to strengthen or patch up a case in an effort to turn a borderline case into a good one. Indemnity from members of a contractor's family in an effort to get him started, or to allow him gradually to expand his operation, seems to be in order, as is indemnity from personal owners of corporate enterprises, but not otherwise.

Some responsible contractors realize that when a responsible contractor submits an usually low bid he may overlooked. A case in point was a contractor bidding a large dirt moving job in the east. All of the other contractors figured in the costs of a long haul for dirt. This responsible low bidder figured a very low cost on this item. He got all the dirt he needed by paying $50 an acre for a farm worth $10 per acre directly adjacent to the project. He made a good profit because the close proximity of the dirt enabled him to finish the job much sooner than he could otherwise have done, and in addition, the dirt really cost him less money. Time is always an important element in the completion of any contract, and often represents the difference between profit and loss.

So much and so many things affect the survival of contractors. Among his troubles are weather, heat and cold, an excess of ground water or not enough water, strikes, lockouts, transportation, quicksand, stone and hardpan—all of which can be helps or hindrances. The agent, surety, and accountant can help the new men get started by helping them stay safely within their available working capital funds and not become overextended. The new men entering the construction field should be made to realize that they are middlemen—retailers. They buy at one place and sell at another at a higher price. They should also realize every time they sign a construction contract they have sold something short, they have sold something they have yet to acquire. Construction is a risky, speculative and dangerous business. A more standardized method of arranging and identifying the information on financial statements of contractors would be very helpful.

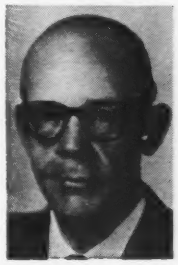
'Terms' Committee Meets

The committee on general insurance terminology, of which Ralph H. Blanchard, emeritus professor of insurance at Columbia University, is chairman, met in a one-day session at Cleveland. Among other definitions dealt with were risk, peril, hazard, insurer, and insurance.

Mutual Agents Assn. of Connecticut is sponsoring a sales training conference for agents Oct. 23 at the Statler-Hilton, Hartford. Co-sponsors are Middlesex Mutual, New London County Mutual and Mutual of Hartford. Adams Institute of Marketing will conduct the course.

Southwestern Indemnity Names H. B. Clark V-P

Southwestern Indemnity of Dallas, wholly-owned subsidiary of Preferred of Grand Rapids, has named Howard B. Clark vice-president.



Howard B. Clark

Mr. Clark joined Preferred in April of this year as general attorney and later was promoted to legal secretary and assistant vice-president in charge of the claims departments of both Preferred and Southwestern as well as general attorney.

Mr. Clark began in the business in 1940 with Kroger Co. in Cincinnati where he was instrumental in the formation of their then wholly-owned subsidiary, Manufacturers & Merchants Indemnity. From 1944 to 1953 he was vice-president and counsel for that company. Since 1953 he has been executive officer of companies making up the American Liberty group.

McLaughlin In Pa.

Reliance has appointed Thomas J. McLaughlin special agent at the Philadelphia branch. He will serve agents in Chester and Montgomery counties.

National Fire Protection Assn. will hold its fall conference Oct. 30 to Nov. 1 at Hotel President, Kansas City. It is open to members and non-members.

Providing Complete

Aviation Insurance

for Personal, Pleasure and Business Aircraft — Aviation Managers for a Substantial Group of Stock Companies

INTERNATIONAL AVIATION UNDERWRITERS, Inc.

Home Office: DALLAS

DALLAS 1, TEXAS
211 N. Ervay Building RI 1-3171
LOS ANGELES 5, CALIFORNIA
2975 Wilshire Blvd. DU 1-1385
SAN FRANCISCO 4, CALIFORNIA
Russ Building YU 2-9066

reinsurance

established in New York in 1850

INTERMEDIARIES EXCLUSIVELY

FIRE • CASUALTY

STUYVESANT

INSURANCE COMPANY

EXECUTIVE OFFICES
1105 HAMILTON STREET, ALLENTOWN, PA.

DOUBLE

DOUBLE
PROFITS

Profit Minded Agents have Profit Sharing Agreements with BOTH Companies -

WORCESTER MUTUAL
and GUARANTEE MUTUAL

DIVIDENDS *Worcester Mutual*
DEVIATIONS GUARANTEE MUTUAL

A PROFITABLE
PARTNERSHIP FOR
PROFIT MINDED AGENTS

440 LINCOLN STREET • WORCESTER, MASS.

WHEN YOU ARE LOOKING
HIGH and LOW
FOR YOUR UNUSUAL COVERAGES

Call us on . . .

AUTOMOBILE PHYSICAL DAMAGE
(standard or sub-standard)

AUTOMOBILE EXCESS LIABILITY
(Excess 5/10/5 or Excess of 10/20)

High Lowe & COMPANY, INC.

Multiple Line Insurance Underwriters
53 W. JACKSON BLVD. . CHICAGO 4, ILLINOIS
WEBSTER 9-3651
AGENT TERRITORIES AVAILABLE IN MOST MID-WESTERN STATES

Cooper, Others To Top Posts In Two Indiana Mutuals

Harry P. Cooper Jr. has been named general manager of Indiana Farmers Mutual and Town & Country Mutual of Indianapolis. He has been general counsel of these companies with officer status. He becomes president of Town & Country Mutual and secretary-treasurer of Indiana Farmers Mutual. Mr. Cooper had also been executive secretary of National Assn. of Mutual Insurance Companies, which position he has resigned to assume his new duties.

H. P. Cooper Jr.

Frank R. Baker has resigned as chairman of both companies and as president of Indiana Farmers Mutual and secretary of Town & Country Mutual. He had been with the companies for 35 years and will continue as director.

Roy E. Larson has assumed Mr. Baker's financial functions and carries the new title of director of control division. Mr. Larson had been an accountant with Ernst & Ernst and Encyclopedia Britannica.

W. L. Trankle has been named director of the insurance division of both companies, assuming both claims and underwriting functions. He was formerly assistant to the president of Meridian Mutual.

Earl H. Myer, executive vice-president, has been appointed director of the companies' new administrative services division and Robert E. Evans, agency manager, has been advanced to director of the new field relations division.

First National Re Names Heaton To Executive Post

First National Re, Indianapolis, has elected George D. Heaton vice-president and chief underwriter. Most recently he had been assistant secretary and claims manager of Wabash Life.

Big Week For Defendants

Defendants in personal injury cases going before juries in Chicago last week had great success, winning 12 of 16 decisions. Of the 4 remaining, 2 were deadlocked juries, so that plaintiffs won only two times, getting total damages of $2,900.

Statistics contained in the Cook County Jury Verdict Reporter show that since Sept. 1, when the courts reopened after the summer recess, defendants have won 38 times, plaintiffs 28, while five juries have been deadlocked. Total damages awarded amount to $330,253 out of a demand in the 28 decisions favoring plaintiffs of $423,239 and an offering of the defendants in those cases $185,800.

New Ky. Adjustment Firm

Barker Adjustment of Corbin, Ky., has been incorporated with Randall D. Barker as president and Roy Z. Ward as vice-president and treasurer. Mr. Barker and Mr. Ward have had experience as independent adjusters handling offices involving practically all lines. Their territory will cover a radius of 75 miles from Corbin.

Thacher Emphasizes Ethics In Claims And Need For Code

In his address at the annual meeting of National Assn. of Mutual Insurance Companies in New York, Superintendent Thomas Thacher enlarged upon his position on "insurance ethics." Last August, in his preliminary report to the New York legislature, Mr. Thacher revealed that his department now considers it essential that each licensed insurer formulate and adopt a code of ethics.

At the mutual meet, Mr. Thacher emphasized that ethics go beyond conflict of interest in the activities of directors, officers and personnel of a company. They extend throughout the entire scope of the insurance organization's operation down to subordinate claim adjusters. He has suggested that every claims manager should establish a code and enforce it to obviate slipshod practices or conflicts of interest.

N. Y. To Keep Tabs

In general, Mr. Thacher said, management must work out its own codes and enforcement techniques. But its action or inaction in this respect should and will be covered in reports on company examinations by his department. Accordingly, New York's regular examination of claims practices will consider not only "treatment" of policyholders and claimants, and procedures used by the company, but also what steps the insurer takes to effect compliance with ethical standards of conduct on the part of claims men.

Mr. Thacher pointed out that companies will soon be answering the new National Assn. of Insurance Commissioners interrogatory. He suggested that as each company considers enforcement procedures appropriate to itself, it might be well to consider the feasibility of defining the essential elements of a code for ethical claims handling. Collective consideration of this problem would be fruitful.

Formulation of a code for claims handling is perhaps a simpler matter than devising a procedure for avoiding corporate conflicts of interest, Mr. Thacher said. Both are needed, for insurers are fiduciaries. Inability on the part of any insurer to demonstrate its observance of ethical standards could undercut as sharply as proof of intentional wrongdoing, public confidence in the integrity of insurance in general. It is therefore important that management of each insurer maintain such controls over its activities as will root out the possibility of practices incompatible with fairness to policyholders or contrary to public interest, Mr. Thacher concluded.

Fla. Mariners Elect

Mariners Club of Florida has elected Kenneth G. T. Drysdale, Marine Office of America, skipper; Robert H. Ketchum, U.S.F.&G., first mate, James C. Bitter, O'Hanlon Reports, purser, and John D. Needham, Standard Accident, yeoman.

O. D. Oliphant, Fireman's Fund, was speaker at the October program of "Project Understanding," sponsored by Insurance Brokers Assn. of California in San Francisco. The project was created by IBAC in 1960 to improve relations between companies and brokers.

INSURANCE TO FIT THE NEED

When you need

MAXIMUM CAPACITY

for preferred fire risks that are BIG

✓ You may not have occasion to write a fire policy covering values up to several million dollars on a single building very often. But when that kind of a risk comes your way there is a big advantage in being able to handle it, or to write an extensive schedule, all in one policy. "Shelby" agents now have that capacity thru our participation in DEVCO.

✓ Only select risks in the preferred classifications are eligible. To those, the appeal of assured financial strength plus the immediate saving offered in deviated mutual rates is a combination hard to resist. Fire prevention engineering that helps further improve the risk adds to the certainty of keeping that client satisfied with his savings.

THE Shelby Mutual INSURANCE COMPANY of SHELBY, OHIO

✓✓ NON-ASSESSABLE FIRE & CASUALTY

PROGRESSIVE GENERAL INSURANCE CO.

A STOCK COMPANY

Complete Auto Coverage, Workmen's Compensation, Dram Shop, Beauty Parlor, Physicians, Dentists, and Hospital Malpractice Liability, 50/50 Glass, O.L.&T. and All Forms Of Burglary. Short Term Policies for Special Events and Jobs.

Phone

HA 7-0439

Preferred Rates For Better Risks—Quick Quotations.

All Casualty Lines Except Primary Auto PL & PD and Work. Comp. Considered Outside Illinois.

Good Brokers and Agents Welcomed.

"Our Service Is Better"

Write or visit

327 S. La Salle St. Chicago 4, Ill.

Finds Agency Automation Key To Future

An agent has to sell his own organization on changes in operation made possible by automation, Robert A. Brown, Waterloo, Ia., producer, said in an analysis of mechanized agency procedure at the annual meeting in Baltimore of Maryland Assn. of Insurance Agents.

Not only the electric typewriter but the 10-key electric adding machine, the calculator, postage machine, dictaphone, background music, and the copy machine, as well as other innovations, were resisted by personnel in Mr. Brown's office. Nevertheless, the organization has proceeded to automation after convincing personnel of its value.

Cites Benefits

Mr. Brown outlined the values automation provides:

1. It is a system that "works you"—you have a time schedule. There is a must to it: The 25th of the month. We close our books on the night of the 25th. In this way we have our records back so that all statements go in the mail on or before the first of the month. Our financial statement and our production records of accomplishment for the month are available to us promptly.

2. Automation makes you more enthusiastic about the business you are in. We are no longer satisfied with average production. We have a record of what we have done. We have goals and we know where we are going. We think of production not only by premium dollars—but in items and class of business. How do you compare with other procuders in the agency? How have you done from month to month? This 6 months over last year's? This year over last year? We feel certain through automation you will get records which you would not take time to make through ordinary manual bookkeeping.

Aids Collections

3. Automation helps with collections. Statements are always out by the 1st of the month. Each producer gets an aged accounts receivable so he knows his 30—60 and 90 day accounts.

4. Through automation we have a record of expirations 45 days in advance. This gives us a chance to work geographically. It is fun to check them off the expiration sheets as they are renewed. Policy writing personnel know just where they are in regard to the current month and the future month renewals because they check the expiration sheet as the renewals are mailed, or given to the producers for delivery.

5. It is not only fun—but profitable to get aged accounts receivable. It is good to write the business, see the premiums accumulate, and if the account is slow, switch the slow pay to payment plan. That way they become friends again and it places the account on a business basis.

6. Accounts current with the companies are on a month to month basis. We know our growth with the different companies—month by month—year by year. With companies and producers alike, we know what kind of business we are writing: Homeowners, fire personal, fire commercial, automobile, liability and workmen's compensation, miscellaneous casualty, bonds, A&S, personal marine, commercial marine. We know whether it is renewal or new business, also whether it is an additional amount to an existing policy or a cancellation. These are records which many agencies do not attempt to assemble because it takes too much time. Automation does it for you."

7. We get our complete financial statement of income and expenses by means of automation. We all know that the financial statement is the most valuable record that we have in the agency. This is the record that gives us the breakdown of income and expenses, month by month, and we, therefore, know where we are going.

Mr. Brown is convinced that if agents are going to compete with the direct writers their salvation is in giving service. And this takes time—much more time than selling. His firm not only fills out the loss reports for automobile policy holders—but is pleased when they bring in a claimants form and want help to process a claim with the other company.

Automation gives Mr. Brown's firm much more time for sales, and selling is the only future for the business. Automation gives the agent time to sell because the mechanics of bookkeeping move smoothly, he concluded.

Blue Cross-Blue Shield Format On Prepaid Dental Care Encouraged In Mich.

Michigan dentists are being encouraged to push their projected prepaid dental care plan along lines of Blue Cross-Blue Shield. At a recent conference of Michigan Dental Assn. at Michigan State University, a Pacific Coast union official and a U. S. Public Health Service dental officer recommended that Michigan Dental Service, already formed, expedite its program.

Dr. Quentin Smith, Washington, D.C., said, 42% of persons interviewed in a recent nationwide poll favored such a plan and 38% said they would prefer such coverage as a wage contract fringe benefit to a flat salary increase. A Michigan survey of practicing dentists showed 92.8% favor the program.

Mrs. Goldie Krantz, San Francisco welfare fund secretary of International Longshoremen's and Warehousemen's Union, said a prepaid dental care program in three western states has won participation by most members of the profession and it is operated on a fixed fee schedule. She said persons covered under the service have free choice of dentists but that countrywide, however, union members have shown less interest in a dental program than in improving their status under medical care programs, largely because of the rising costs of the latter service.

Michigan CPCUs Sponsor All Industry Conference

Michigan chapter of CPCU held an all industry conference recently in Detroit. A panel on commercial multiple peril package policies featured Robert S. Anderson, manager underwriting department General Underwriters; Ronald Butler, assistant manager Michigan Inspection Bureau, and Thomas Butler, property insurance supervisor North America.

Speaker at the luncheon during which conferment of 14 Michigan CPCU designations were made, was John N. Cosgrove, associate editor THE NATIONAL UNDERWRITER. His talk, entitled "Divide and Be Conquered," considered the idea that marketing departments and the specialists who run them cannot be expected to fight competitive insurance battles alone.

MARKET TROUBLE ?

We don't have a market to insure a Swiss mountain climber—but we DO provide an inexhaustible market for your unusual . . . hazardous . . . hard-to-place risks . . . including:

- EXCESS LINES
- SURPLUS LINES
- TRAMPOLINE CENTERS
- GO-KART TRACKS
- Etc., etc., etc.

HOMER BRAY SERVICE, INC.
1633 Central Street
Evanston, Illinois
DAvis 8-9600

HOMER BRAY SERVICE, INC.
1633 Central Street, Evanston, Illinois
Send me complete information on the following risk coverages:

Name
Company
Address
City State

Editorial Comment

A Big Wide Wonderful World

One of the outstanding weaknesses of insurance meetings of every type is their ingrown character. For the most part, persons with identical convictions spend time convincing each other anew. Speakers at insurance gatherings—with few exceptions—preach a popular and long accepted gospel.

The business might consider breaking away from this pattern by introducing participants from other areas of business. These speakers would not be of the 'inspirational' or 'popular-sales-psychology' type who are entertaining but seldom say anything that can be recalled five minutes after they have left the platform. The recommended speakers would be chief executives—the president or financial vice-president—but most frequently would be the top official in charge of marketing for a company in a business other than insurance.

What would prompt a company president or financial vice-president to appear at sessions where insurance executives are in the audience along with their agents? Quite obviously, insurers are one of the chief markets for the stocks of various enterprises. Almost any astute executive from another business might jump at the chance to address insurer officials and to give them the background of current conditions in his field of operations.

One of the by-products of such an address would be dignified publicity which would be used by many general newspapers and by the insurance press. Moreover, the publicity departments of the companies whose executives appear at insurance meetings would do all the work. Many such companies are large advertisers and news-making organizations, and their publicity is favorably regarded by newspaper editors. Any recognition accorded them after an insurance appearance would link insurers with the largest enterprises in the country and establish their interdependence.

However, this is but one benefit that would follow programs featuring speakers from other lines of business. The most fruitful results would follow the appearance of the marketing or merchandising executives from various types of enterprise—mercantile and industrial.

These companies—dealing in tangible goods or in more immediate services than insurance—maintain large research and planning departments. They are constantly analyzing trends, customer buying habits, population shifts and new methods of selling as well as other pertinent factors of practical operation. Their executives have at their fingertips pertinent data on short and long term projections of change in the U. S. economy, and they have exact information on changing practices in their own industries.

The latter information could be stimulating and valuable to insurance companies from a number of standpoints. It would be valuable as a yardstick for underwriting. Changes in merchandising in other fields of business involve shifting practices in warehousing, locations of manufacturing units, inventory, size and disposition of employe-staffs, locations of retail stores, methods of distribution, automation and countless other factors. Each of these has a direct bearing on insurer practices in providing coverage for every phase of a given business.

In certain cases, even more pertinent information for underwriting guidance would be provided. For example, an official of a chemical company could tell a fascinating story of present practices in his business and of anticipated developments in many phases of its operation. In the telling, he would automatically be alerting many agents to sales opportunities and many company officials to possibilities for development of forms as well as to the underwriting considerations that may present themselves.

The information brought by outside executives would not only be helpful in underwriting but would be a good general guide to insurers in devising general coverage changes to meet expanding protection needs in various areas of business. Needed innovations in insurer sales approaches would be indicated. In this connection, the insurance buyers of companies could be invited to speak occasionally.

The insurance business would benefit by learning of up-to-date and projected market planning in other fields of endeavor. Many features might be adaptable to insurance. In any case, the business would receive the fruits of incalculably expensive and painstaking research into marketing made by enterprising organizations which have to keep on top of current conditions or be overwhelmed by competition.

As to the source of supply for the type of speakers here recommended, many could be obtained from organizations presently insured by the companies whose executives formulate meeting programs, and others would be available from firms whose securities are held in large blocks by insurers.

There is not and never has been a continuing program of the scope here outlined. The potential benefits have only been touched upon here.In essence the appearance of outside executives at insurance meetings would comprise a prestige campaign for the insurance business. It would put into sharp focus the interdependence of all types of business enterprise and insurance. More immediately, it would recall to insurance executives and to agents that there is a big, wide wonderful world of commerce and industry outside the walls of the insurance business. Representatives of this "other world" might bring a freshness of idea that would help stop insurance audiences from nodding—either from drowsiness or in response to restatements of views with which they already agree. — J. N. C.

—

The Glendale, Cal., office of **General Adjustment Bureau** has moved to larger quarters at 201 South Central Street. E. E. Bennion is manager.

Personals

Jay W. Gleason, president of Illinois R. B. Jones, is in London where he is visiting with his agency's correspondents at Lloyds. Mr. Gleason left for London from Washington where he made a talk at the CPCU meeting. He will pick up the CPCU tour to Paris and return to Chicago after he stops over at New York.

Detroit Area Boy Scouts have presented the Silver Beaver award to **William F. Brunner**, assistant manager of the public official bond department of Standard Accident. The Silver Beaver is the highest area award given to a scouter on the council level.

George G. Nichols, president Guy Carpenter & Co., New York, reinsurance intermediaries, is recuperating nicely from a hernia operation undergone at Doctors Hospital there.

Carl Strong, director of insurance programs at Michigan State University, is on sick leave from his duties until Dec. 31. Mr. Strong suffered early in this summer from a mild heart attack, and he is being given additional time to recuperate. Donald Aschom has been named temporary assistant to take over Mr. Strong's duties.

Harold A. Mielke, vice-president in charge of underwriting for Celina Mutual group, is in London attending a joint meeting of CPCU and Chartered Insurance Institute and formalizing a Lloyd's connection to handle surplus lines written by Celina Mutual or National Mutual. During his nine-days in London, Mr. Mielke plans to visit several British companies and attend an electronic data processing symposium to hear K. E. Schaug of Trigg-Fylgia insurance group of Sweden. He will also spend a few days in Paris on business.

Deaths

WILLIAM B. CONNETT, 68, former vice-president of Marsh & McLennan at New York, died at Basking Ridge, N.J. He was head of the brokerage firm of Stewart, Hencken & Will when in 1953 it merged with Marsh & McLennan. He retired in 1959.

FRANK M. OWENS, 39, operator of the AMA agency of St. Louis, died of a heart ailment.

WILLIAM H. HARMER, retired Seattle agent, died of a heart attack at Carmel, Cal.

FRANK C. MOFFAT, 87, a partner for many years in the New York brokerage firm of Moffat & Thomas, died at his home in Rowayton, Conn. A son, F. Chandler Moffat, local agent at Westport, is a past president of Connecticut Assn. of Insurance Agents.

J. ERNEST CASSARD, 57, assistant secretary of Gillis, Hulse & Colcock agency of New Orleans, died there.

HUGH J. McFARLAND, 76, president of the Hugh McFarland Co. agency of Cleveland for more than 30 years, died in his Lakewood home. Mr. McFarland, a former councilman, state highway department official and superintendent of the Cleveland street

THE NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

ABC

Published by The National Underwriter Co.

EDITORIAL OFFICE

17 John St., New York 38, N. Y.
Tel. BEckman 3-3958 TWX NY 1-3080

Kenneth O. Force, Executive Editor
John N. Cosgrove, Associate Editor
Jud Higgins, Assistant Editor

CHICAGO EDITORIAL OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Tel. Wabash 2-2704 TWX CG 654

John C. Burridge, Managing Editor
Assistant Editors, William Faltysek and R. R. Cuscaden
Marjorie Freed, Barbara Swisher and Nancy Wells, Editorial Assistants

OFFICERS

John Z. Herschede, President
Louis H. Martin, Vice-President
Kenneth O. Force, Vice-President
H. P. Gravengaard, Vice-President
Robert B. Mitchell, Vice-President
George C. Roeding, Vice-President
James C. O'Connor, Secretary
Joseph T. Maloney, Treasurer

ADVERTISING OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Tel. WAbash 2-2704 TWX CG 654
Raymond J. O'Brien, Advertising Manager

BUSINESS OFFICE

Charles P. Woods, Sales Director
420 E. Fourth St., Cincinnati 2, Ohio

REGIONAL SALES MANAGER

Fred Baker, Atlanta
Paul Blesi, Cleveland
Alfred E. Cadis, Dallas
David Chapman, Des Moines
William J. Gessing, Detroit
Clarence W. Hammel, New York
Roy H. Lang, Boston
James E. McSurely Jr., New York
Howard J. Meyer, Minneapolis
William D. O'Connell, Chicago
Raymond W. Rieke Jr., Los Angeles
George C. Roeding, Cincinnati
A. J. Wheeler, Chicago
Ronald W. Taylor, Boston
Robert J. Wieghaus, Chicago
George E. Wohlgemuth, St. Louis
Willis H. Yocom, Denver
Robert I. Zoll, Philadelphia

SUBSCRIPTIONS: Address all communications to the National Underwriter Co., 420 East Fourth Street, Cincinnati 2, Ohio. Price $7.50 a year (three years $20); Canada $8.50 a year (three years $23); foreign $9 a year (three years $24.50). 30 cents a copy, back copies 50 cents. **CHANGE OF ADDRESS:** Enclose address sticker and Post Office form 3579 with new address, send to 420 East Fourth Street, Cincinnati 2, Ohio. Allow three weeks for completion of change.

department, entered insurance after retiring from politics. In recent years he operated his agency in association with a daughter, Miss Mary McFarland, who is treasurer and vice-president.

HENRY FRANKEL, 74, long prominent in Cleveland insurance, died in his home in Shaker Heights. Mr. Frankel, ill since last spring, was senior partner in Frankel Brothers agency which he founded in 1912 with his late brother, Charles. Mr. Frankel was former president of Insurance Board of Cleveland. Partners in the agency are his nephews, George and Jerome. George is immediate past president of Insurance Board of Cleveland.

EARL W. HOHBEIN, 57, manager of Chubb & Son at Philadelphia, died at his home in St. Davids, Pa. He started with the Chubb organization in 1936 as a fidelity bond underwriter. He became manager at Philadelphia in 1958.

JOHN J. JACKSON, 49, executive vice-president and a director of Service Fire and Service Casualty, died at his home in Smoke Rise, N.J. He had spent his entire business career in insurance. He went with Standard Accident in 1931. He served in underwriting and managerial positions and was office manager at New York when in 1952 he resigned to join the two insurance subsidiaries of C. I. T. Financial Corp.

N. Y. Brokers Resolve To Back Prior Approval

Directors of Greater New York Insurance Brokers Assn. have adopted a resolution in support of prior approval. Elimination of such regulation, the brokers feel, would result in uncontrolled competition, which would be detrimental to all parties concerned.

The brokers took issue with the "overly hopeful illusion" that elimination of prior approval would help depopulate the New York assigned risk plan. They cited figures which indicate that from 1957 to 1960, in New York, where there is prior approval, the plan grew 131%, while in California, where there is no prior approval, the plan increased by 133%.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co., 135 S. LSalle St., Chicago, Oct. 17, 1961

	Bid $	Asked $
Aetna Casualty	144	149
Aetna Fire	118	120
American Equitable	24¼	25½
American, Newark	29	30
American Motorists	27½	30
Boston	40½	42
Continental Casualty	108	110
Crum & Forster	48	50
Federal	123	125
Fireman's Fund	65	66½
General Re.	163	173
Glens Falls	44½	46
Great American	55	56½
Hartford Fire	87	89
Hanover	47½	49
Home of N.Y.	63	64½
Ins. Co. of No. America	109	111
Jersey Ins.	35	37
Maryland Casualty	42	43½
National Fire	152	156
National Union	48	50
New Hampshire	64	66
North River	45	47
Ohio Casualty	29	Bid
Phoenix, Conn.	116	118
Prov. Wash.	24	25
Reins. Corp. of N.Y.	24½	26
Reliance	66½	68
St. Paul F. & M.	86	88
Springfield Ins. Co.	41	42½
Travelers	151	154
U.S.F. & G.	68	70
U. S. Fire	35½	36½

All Lines Groups Ranked According To Non-Life Volume

THE NATIONAL UNDERWRITER has been asked for a ranking of the leading fire, casualty, and life insurance company groups, with the amount of life they have in force. The first 25 are presented below, ranked according to their non-life premiums as of 1960 year end, with the amount of life insurance in force shown. Figures are from the Argus Charts and Unique Manual Digest, both published by the National Underwriter Co.

	Non-Life Premiums $	Life Ins. In Force $
1. Travelers	869,434,757	26,961,412,002
2. Aetna Life	748,484,260	24,311,020,459
3. Hartford Fire	519,316,090	773,236,931
4. State Farm	505,431,729	1,734,840,597
5. Allstate	502,407,463	1,660,884,961
6. Contl.-Natl.	436,774,912	6,844,389,993
7. North America	388,393,627	590,468,650
8. U.S.F.&G.	301,274,808	467,675
9. Home	263,266,537	170,812,742
10. Kemper	225,083,100	180,192,180
11. Nationwide	224,311,310	1,808,782,669
12. Farmers Group	184,574,171	398,155,709
13. Employers Liab.	182,210,329	34,814,806
14. Transamerica	174,455,615	10,256,770,074
15. St. Paul F.&M.	174,368,182	581,631,779
16. MacArthur	163,013,857	1,063,524,224
17. General, Seattle	154,825,017	126,506,448
18. Great Amer.	143,067,901	....
19. Security-Conn.	110,390,166	80,782,268
20. Springfield	107,953,156	614,666,922
21. Hdwe. Mutuals	104,427,689	116,649,160
22. Chubb & Son	98,661,069	609,939,179
23. Glens Falls	94,819,299	457,526,212
24. Zurich	94,756,451	56,688,815
25. Swiss Re.	80,280,335	1,437,870,248

On the same basis, the next 21 all lines insurers are Ohio Casualty, American Casualty, Reliance, Buckeye Union, Commercial Credit Corp. (with $1,084,581,654 of credit life in force), Tower of Battle Creek, United Pacific, General Acceptance, Financial General, Harleysville Mutual, Worcester Mutual, American Fidelity, Peerless, Pacific Finance, Tri-State, American General, Commercial Standard, National Auto & Casualty, American Indemnity, Carolina and St. Lawrence.

Plan Testimonial Banquet For Gerber

Director Joseph S. Gerber of Illinois will be guest of honor at a testimonial banquet Nov. 7 at the Ambassador West Hotel, Chicago. Seymour B. Orner, president La Salle Casualty, and Lawrence A. Berman of the Chicago law firm of Berman & Woodruff are co-chairmen, and the sponsoring organization is the State of Israel Bonds Development Corp.

The dinner was planned from the desire of a few of Mr. Gerber's friends to recognize his achievement in bringing prestige to the insurance industry of Illinois and to the position it holds in state regulation. It was decided to include a voluntary bond program as part of the testimonial in order to add significance to the occasion. Mr. Gerber has privately supported State of Israel Bonds for many years. Those invited to the dinner who wish to do so may purchase bonds of the State of Israel. This is a black tie affair.

N.A. L.,A.&H. A&S Group Coverages Are Reinsured In Continental Casualty

North American Life, A.&H. has entered into a reinsurance arrangement with Continental Casualty by which North American's franchise, association group and standard group coverages in the A&S field will be reinsured in Continental Casualty effective Dec. 1.

Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valleau & Co., Board of Trade Building, Chicago

Insurance stocks took a breather last week for the first time in months. Activity dwindled and there were few radical price movements. The fire-casualty issues commanded more attention than the life stocks.

Interest centered in the northwest, where J. C. Bradford & Co., the prominent investment firm of Nashville, completed the purchase of the majority shares of Old Line Life of Milwaukee and got an option to purchase control of Northwestern National Life of Minneapolis. Mr. Bradford has a syndicate of wealthy persons. Now the prospect is that stock in these companies will be reoffered to the public. At Northwestern National the control is to be purchased from Nationwide Corp. at $153 per share. Nationwide has had three seats on the board of Northwestern National behind the goal post. The prospective new owners and the Pillsbury administration are on cordial terms, so all will sit on the 50-yard line.

Nationwide stands to realize some $17 million from the sale of Northwestern National. They had carried this in the balance sheet at $12,114,790. There are 3,439,000 shares of Nationwide Corp. Now all will want to see where N.W.C. puts the $17 million. N.W.C. stock sold off about 2 points to 42 bid.

The purchase price of Old Line Life was $105 per share and this comprised about 53% of the stock. Following the announcement the free stock went on up in the market to $126 bid. Principal members of the selling group were E. C. Rhodes of Aberdeen, S. D., Charles Sammons of Dallas, who controls Reserve Life, George Washington Life, Professional Insurance and several other companies and who is heavily invested otherwise in insurance equities, and J. E. O'Connell of Helena, Mont.

—|||—

We were asked the other day to say which life companies would produce the greatest growth in the next 10 years. The answer was that probably they would be the ones that are showing the greatest growth today and are the most highly valued. But we also said that some of the "grand cru" institutions of this day were the sleepyheads of yesterday. For instance, Farmers New World Life was the New World Life of the Cadigan days at $5 per share, U.S. Life with Henry Moir was a Scotch actuary's paradise of mathematical exactitude and little business, Philadelphia Life before Elliott was genteel and unanimated. To have said three years ago that Old Line Life at $25 a share was a "grand cru" would have caused profound derision.

The life stocks these days are holding their own and if they dip, after a fast selloff, buyers come in. For instance, U. S. Life dropped from 87 to 71, held and then advanced again. It was up 5 points last week to 82 bid.

There is a lack of conviction at this point that they deserve to go on to higher multiples of earnings. But we are on the eve of seeing 1961 earnings statements which will be exhilarating and the multiples will be related to higher earnings. Shelby Cullom Davis at the American Life Convention meeting in Chicago last week made an arresting talk in which he indicated the belief that the prices still do not reflect the horse power of the investment over the years in galvanized agency forces.

—|||—

Standard Life of Indiana moved up another five points this week to 85 bid. Ins. Co. of North America was up about four points for the week.

Aetna Life and Travelers, which had gone up like electronics stocks, subsided further, almost down to their takeoff levels. Aetna Life at 134 bid was minus 8 for the week, while Travelers at 152 was minus 10. Just recently there was no Travelers to be had at 176. Connecticut General, however, continued to be in good demand and, at 297, was up 3. Lincoln National was off only 2 at 158. Victory Life has been creeping up and closed at 117 bid. This is one of the few discounts left among life insurance stocks.

On the fire-casualty side Fireman's Fund managed to exceed even the price at which a secondary offering of 50,000 shares recently broke the market, and was at 54½ bid. Federal also was coming back from the blow of a 50,000 share secondary at 74 and 70 bid.

Reliance stood out and was up 5 for the week. North America was trying to go up. General Reinsurance was up 3, Maryland Casualty 2, National Union and Northern Insurance 1½. Great American, which has been under considerable pressure due to a bad start this year, got off its knees and was up more than a point.

—|||—

Ohio Casualty, long dormant, was wanted and was quoted 30-32 Friday.

Northwestern National of Milwaukee, which ran into sellers when Carla hit and dropped about 8 points to 102 bid, was still quiet. This represents one of the heavy discount situations in the business, with capital-surplus value about $150 per share.

American Fidelity & Casualty took off and closed at 27 bid, up 2½ for the week. This has been an outstanding performer of the year; it was about 11 at Dec. 29, 1960.

There seem to be favorable underwriting indications in fire-casualty companies, with automobile especially giving a better account of itself.

The Illinois Company has put out a study "Sears, Roebuck & Co., with Emphasis on Allstate Insurance Company." They figure the adjusted earnings of Allstate and subsidiaries at 71 cents per share of Sears. At a multiple of 25 times, this would give a market value of $17.75 to Allstate per share of Sears stock. If this is deducted from the current market price of Sears stock there is a $55 remainder. Merchandising operations at Sears produced earnings of $2.48, so at the price of $55 the price-earnings ratio was 22.2. This compares with 29.4 for Montgomery Ward.

With attention directed to insurance situations in the Northwest, Wisconsin National Life attracted buyers and it moved up to 47 bid, an advance of two points.

Why Mergers Occur, Problems They Pose From British View

(CONTINUED FROM PAGE 2)

offer being approved by independent advisers on behalf of the respective boards.

Before coming to a final decision, the directors will no doubt give close consideration to the staff problems involved. A comparison should be made between the scales of staff remuneration, pension, and other benefits. There may be a marked difference in the standards of the staff in the two companies. But if there are to be happy staff relations the declared policy to be implemented within a reasonable time must be that the higher of the two scales of remuneration and benefits will be made available to all who measure up to the standard required. Margins of profit in general insurance business tend to be slight and the financial effect of the implementation of this policy is a factor to be taken into account.

We may assume that when the terms of the merger are announced the directors will give an assurance that the staffs of both companies will not be prejudiced by what is proposed.

The interesting feature of the mergers in insurance in this country within the last few years is that in most cases they have been between companies which it might be thought could have carried on their separate existence.

There is a body of opinion, not perhaps of substantial weight but entitled to respect, which has some doubt about the value of such mergers.

I hope that there will continue to be a place in British insurance for the well-run company which is competitive in the service it gives and the results it achieves and in the staff remuneration and conditions it offers, and which, after a fair assessment by its directors of its organization, present position, and prospects, decides to continue on its way building on the reputation it has earned over the years, on the goodwill of its connections, and on the efficiency of its staff and the service it gives though there may need to be a reassessment of the position from time to time.

If the transaction of non-life business is to yield a reasonable measure of profit, we have to review our methods of operation—both in this country and overseas—and be prepared to break away from what has come to be regarded as traditional, if by so doing we can move towards a more economic basis of trding.

Losses Not Cyclical

We have had to face a number of adverse factors. Of recent years there has emerged a higher level of loss ratios, which we should be ill-advised to regard as cyclical. Our costs have risen substantially in a period of considerable inflation. Both here and overseas there have been developments in industry which have led to greater concentrations of risks, and we have been subject to severe competition which has resulted in a downward trend in rates of premium.

The position in this country has been intensified by a number of overseas companies starting business here. We would not seek to exclude them, for we believe in a free market for insurance, but they have made our task no easier. In general in many countries the number of insurers operating has increased considerably, and, in connection with our business overseas, factors of particular relevance to the recent regroupings of companies are that there is a minimum scale of operations necessary to meet the costs of an organization adequate to give a comprehensive insurance service, and that in some territories there has been a marked deterioration of trading not within the powers of underwriters to improve readily by the application of normal remedial measures.

No Impossible Problems

The industry is not beset by intractable problems. It is a strong, virile, and expanding industry which can, however, solve its problems more readily by a closing of the ranks to some extent and by a more economic deployment of its resources.

We hear much these days of restrictive practices and the dangers of monopoly. In insurance, however, we still have operating in this country more than 100 independent companies or groups of companies with a highly competitive market at Lloyd's, and the process of merger would have to go much further before the dangers of monopoly could arise. We in insurance are too convinced, however, of the value of healthy competition to seek to carry the process of merger or amalgamation so far, and if additional machinery were set up in this country to ensure freedom of contract and the preservation of effective competition, the insurance industry would have nothing to fear.

Mergers of recent years, not necessarily in insurance, have been referred to as an "epidemic" and again as the pursuit of "bigness." It may well be that one merger has led to another,

Why You Should Represent Companies of

America Fore Loyalty Group

1. You'll have outstanding facilities for practically every kind of insurance you'll ever write and *exceptional* service for such specialized fields as:
   - *Rate Engineering*
   - *Public Utility Risks*
   - *Business Interruption*
   - *Boiler and Machinery*
   - *Accident and Sickness*
   - *Bonds and Burglary*
2. You'll be assured of fast and efficient service through a nearby America Fore Loyalty Group office.
3. You'll have prompt and fair claims service available locally and wherever your clients may travel in the United States or Canada.
4. You'll find policies carrying the America Fore Loyalty Group seal enjoy high acceptance because of our outstanding reputation for strength and dependability.

Contact our nearest office for a fieldman to give you all the facts.

The Continental Insurance Company • Firemen's Insurance Company of Newark, New Jersey • Fidelity-Phenix Insurance Company
Niagara Fire Insurance Company • The Fidelity and Casualty Company of New York • National-Ben Franklin Insurance Company of Pittsburgh, Pa.
Milwaukee Insurance Company of Milwaukee, Wis. • Commercial Insurance Company of Newark, N. J. • The Yorkshire Insurance Company of New York
Seaboard Fire & Marine Insurance Company • Niagara Insurance Company (Bermuda) Limited • Royal General Insurance Company of Canada

but a company should consider its competitive position in the future having regard to the regroupings of other companies that have taken place. If it decides to follow the lead that has been given by seeking alliance with a company with which it has had friendly relations over the years, is it to be criticized on the ground that it is doing what others have done, or possibly, in the case of a smaller company, that it is merely indulging in a defensive operation?

Even if a company is prompted only by a desire for growth in seeking to acquire the share capital of another, is that to be condemned, provided that a merger is not regarded as a substitute for what may be called growth from within and that the company is prepared to face the heavier responsibilities it has assumed and, with due regard to the interests of all concerned, seek to use the greater resources available for improving the working and the prospects of the group and the service given to policyholders?

Won't Solve Capacity Need

I have read that mergers will help solve the capacity problem in connection with the substantial cover required in relation to atomic risks, and particularly having regard to the fact that the business is accepted by insurers on a net basis. While this may be so to some extent, it seems to me that the only contribution mergers will make to the solution of this problem would arise from acceptance of the view that a somewhat higher percentage of the consolidated funds of the two companies may properly be committed to one risk than would be appropriate to the two separate funds.

Most of the mergers with which we are concerned have been carried out by the larger company acquiring the share capital of the smaller so that the former becomes both a holding and an operating company. An alternative procedure has also been adopted of forming a holding company to acquire the share capital of both the companies entering into the merger, but this is more expensive.

The method by which the larger company acquires the share capital of the smaller is more direct and has much to commend it. To achieve its objective, however, the company will have to be successful in superimposing on the loyalties of the directors and staff of both companies on overriding loyalty to the group. It must devise machinery for intercompany consultation and should be prepared to accept the fact that it will not necessarily have always the better ideas, superior organization in all branches of the work, and the best man for every job. The benefits of a merger come slowly—the problems will be less difficult if all concerned develop a group mentality.

Real Problems

The real problems of a merger arise subsequently to the offer being made and accepted. Ideally, I presume the immediate intention would be to preserve as far as possible the name and goodwill of both the companies and, at least for a number of years, the outward appearance of their separate identities, while making every effort to get the maximum benefit from joint working, subject to due and proper regard for the staff considerations involved.

There can be no set pattern of operation which will be generally applicable. Conflicting considerations arise and individual persons must be considered. The best solution of problems will come from careful thought and patience and tact with firmness.

Decisions may be taken that:

1. Each company is to adopt a common underwriting policy to be determined initially after discussion between the managers immediately concerned, and to write, to a net retention appropriate to the combined account, the business being pooled and apportioned department by department in proportion to the business written by each company.

2. Where both companies have branch representation in the same overseas territories, the branch organizations are to be integrated while preserving the name and connections of the separate companies.

Pooling Expenses

3. Expenses are to be pooled and apportioned as under (1) above separately for each overseas territory where organizations are integrated and for head office and home branches after integration.

4. Prior to full integration of head office staffs the responsibility for the supervision at head office of overseas agency business is to be apportioned territory by territory between the companies according to the size of the accounts of each company in each area while preserving the position of the head office of each company in relation to correspondence with its own agencies. This may involve some interchange of staff.

Mergers provide a unique opportunity of reviewing afresh the basis of operation and taking decisions which, to the extent that they are carried out, should ensure in due course a saving of time and effort and an improvement in the service given to the public. They should lead to the employment more widely of electronic computers for accounts and renewal work, the calculation of gross and net dividends and the preparation of dividend warrants, life valuations and so on, and for obtaining promptly much more information of a statistical character leading to a closer contact with problems of costs, experience, trends, etc. We should expect less work in connection with reinsurance though there would be a continued need for reinsurance at least for target risks. No doubt there would be a reduced volume of reinsurance business ceded to professional reinsurers—a fact I mention with regret as they have given excellent service and rendered great help to the primary companies over the years.

Need Staff

It should be possible to do with less staff following a merger, though it has to be remembered that in some sections of our business staffs have been under considerable pressure in recent years. Savings in junior staff could perhaps be realized within a reasonable time by limiting recruitment of new entrants, though, having regard to the difficulties we have had to face in recent years in recruiting staff, companies may well wish to continue to recruit selectively male juniors of the right type. The termination of the employment of members of the staff following a merger would be against the tradition of insurance companies, and, indeed, against recently expressed intentions.

The greatest asset an insurance company has is the technical ability, the integrity, and the devotion and loyalty of its staff. Among problems of mergers, high priority should be given those relating to the staff, the work of the staff, and staff relations. The larger unit may engender a feeling of remoteness between staff and senior management and in some a feeling of uncertainity and discouragement. In the early stages of integration there may be uneconomic use of staff with a consequent added sense of frustration. Staff questions must be reviewed with these considerations in mind, and against the broader background of the two companies brought together; the problems become more difficult and assume greater importance.

Men Solve Problems

The history of insurance in this country has shown the need of flexibility. We have seen the workmen's compensation acts come and go, the great growth of motor and aviation insurance, and of pension business. These are branches of work for the specialist, but a company that had adopted a policy of flexibility in staff deployment and had not kept undue numbers of staff for years within the limitations of small sections of our business would have been better able to cope with these developments. We have shown flexibility in our approach to post-war

SUPERIOR FACILITIES

. . . . available only to Excess and Surplus Lines Brokers

S A M

South America Managers, Inc.

3 Penn Center Plaza
Philadelphia 2, Penn.
LOcust 8-7730 • TWX-PH 1257

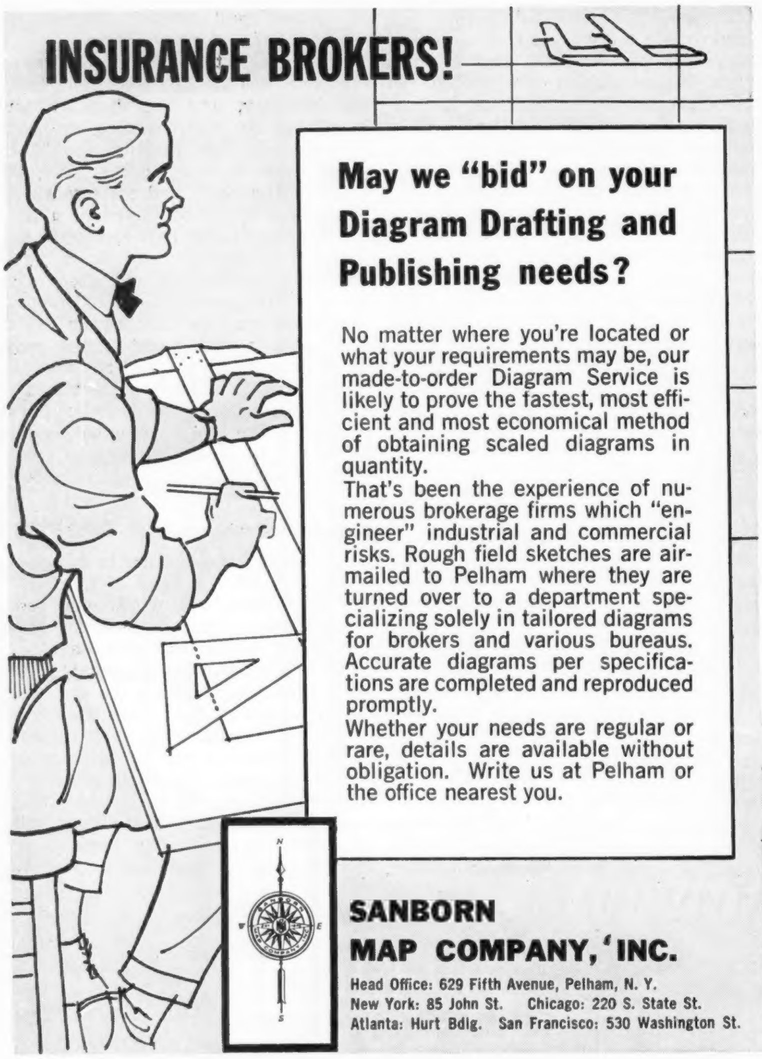
PROGRESS

PROGRESS IS TRADITIONAL WITH THE BUCKEYE UNION GROUP

BUCKEYE UNION GROUP

The Buckeye Union Casualty Company
The Buckeye Union Fire Insurance Company
The Mayflower Insurance Company

Home Offices: Columbus 16, Ohio



INSURANCE BROKERS!

May we "bid" on your Diagram Drafting and Publishing needs?

No matter where you're located or what your requirements may be, our made-to-order Diagram Service is likely to prove the fastest, most efficient and most economical method of obtaining scaled diagrams in quantity.

That's been the experience of numerous brokerage firms which "engineer" industrial and commercial risks. Rough field sketches are airmailed to Pelham where they are turned over to a department specializing solely in tailored diagrams for brokers and various bureaus. Accurate diagrams per specifications are completed and reproduced promptly.

Whether your needs are regular or rare, details are available without obligation. Write us at Pelham or the office nearest you.

SANBORN MAP COMPANY, INC.

Head Office: 629 Fifth Avenue, Pelham, N. Y.
New York: 85 John St. Chicago: 220 S. State St.
Atlanta: Hurt Bdlg. San Francisco: 530 Washington St.

How objective is your perspective?

Are your company sales and underwriting procedures properly synchronized?

Do you find that your sales and underwriting departments are working at cross purposes? They must be fully synchronized in theory and practice if the company is to show maximum results on its balance sheet.

Often this coordination, planned and accomplished at the top level, bogs down in the operating areas at the home office and in the branches. A detailed and objective survey will reveal whether you have this problem and would lead to a specific solution for your organization.

Frank Lang and Associates, Inc., a national consulting firm, confines its activity to servicing insurance management on all types of operating problems. The firm's specialists offer its clients a wide and varied background in the coordination of company operations and find practical solutions to the many other problems confronting management.

Informal preliminary meetings for discussion can be arranged without obligation.

FRANK LANG & ASSOCIATES, INC.

Consultants in Marketing and Management for the Insurance Business

FRANK LANG & ASSOCIATES, INC.

521 FIFTH AVENUE, NEW YORK 17; OXFORD 7-4044 • 209 W. JACKSON BLVD., CHICAGO 6; 922-0492

problems and it is a policy which will serve us well in our approach to the problems which follow mergers.

There may be scope for the training of more men for "outside" work, and others, with training, may prove useful and find quickened interest in another branch of "indoor" work.

Special consideration may need to be given to men who for many years have been engaged on technical work of one kind who are not sufficiently adaptable to undertake other work and to those who have held with credit positions of responsibility who may find it difficult to adapt their outlook and methods to a new senior whose approach may be completely unfamiliar and radically different.

Incentive To Staff

It may be possible by a rearrangement of staff to release for special training and duties those considered suitable, and a policy which offered greater training facilities and which rendered it unnecessary to recruit staff at ages over the normal entry ages, whether from school or university, would be an incentive to the staff and of benefit to the companies.

There may remain a stratum of staff to which a scheme of entirely voluntary resignation following an offer of fully adequate pensions may be appropriate.

In the medium-sized companies there may not have been the necessity for a for a senior official of executive standing responsible solely for staff matters. But if equity is to be preserved and be seen to be preserved, and if staffs generally are to accept mergers as a development not inimical to their interests, much thought and time at the right level must be given to these problems.

General Problems

Mergers bring their own problems and we must assume that those of our business generally will grow no less with the passing years. We may hope, however, that there will be staff resources in the larger groups to tackle their problems and, for the good of our industry, to devote time with others to the general problems of our business. Much good work has been done for British insurance in connection with the technical problems which have had to be faced in the post-war years, but it has thrown a heavy burden of work on those concerned. It would be very satisfactory if the burden could be more widely shared and, in any case, their successors and the future leaders of our business have to be trained.

To secure the full benefits from a merger is a gradually evolving process. There may come to be less "pick and shovel" work in the business. The experience of such work, if not too prolonged, is valuable but should be reduced as much as possible. With the improvements in conditions of service that time will bring, we hope the industry will prove attractive to a greater number of the right type of recruit year by year, and that in the larger units there will be an enlarged scope for those who are prepared to work hard and accept responsibility.

There are prospects of highly interesting and rewarding careers in insurance. We should all welcome developments that give additional incentive to the best of those coming from schools or universities to join us.

Beneficial Standard Offers Trading Stamp Life Insurance

Beneficial Standard Life, through its affiliated Fidelity Interstate Life, is offering trading stamp life insurance in southern California. Three books of Blue Chip stamps will provide coverage for six months, and six books will cover a full year.

The policy offers $150 a month for disability resulting from an accident while driving or riding in an automobile, bus or truck; $500 additional for hospital, and $2,500 for loss of life. The policy may be obtained through any agent or broker and at the Blue Chip redemption center in southern California where insurance agents will be stationed.

Beneficial Standard intends to develop an extensive promotion campaign in food markets, drug stores, service stations and other participating retail organizations. More than 500 supermarkets have been supplied with banners and display racks of descriptive literature.

The company states in its announcement that the trading stamp insurance "offers new opportunities and opens doors for agents that might otherwise be closed to them . . . this creative device provides a base from which the agent is able to enter a prospective client's home and tell his story of the valuable personal and individual service the agent is able to provide. By pioneering this kind of mass selling in behalf of the lonely agent we are doing something tangible and practical to further the American agency system."

About two years ago, trading stamp life insurance was offered in the St. Louis area by another company.

Ill. Pond Meets

The fall business meeting and initiation of Illinois Blue Goose at Rockford this month attracted 60 ganders. Robert Luecal, MLG, and the other officers of the pond conducted the meeting, and the Blackhawk puddle was in charge of arrangements.

Twenty-two candidates were initiated and most of them will be active in the affairs of the recently reactivated Blackhawk puddle.

At the business meeting it was voted to increase the annual dues for active members from $7 to $8 for the next four fiscal years to allow Illinois to assist the neighboring pond at St. Louis when the Grand Nest is held there in 1965.

GAB Transfers Landis

General Adjustment Bureau has transferred Wallace R. Landis as manager from Redding, Cal., to Fresno. He joined GAB at Eureka, Cal., and was subsequently a staff adjuster at San Jose. He was promoted to manager at Redding in 1960.

Service Guide

BOWLES, ANDREWS & TOWNE, Inc.
ACTUARIES
MANAGEMENT CONSULTANTS
LIFE—FIRE—CASUALTY
EMPLOYEE BENEFIT PLANS
RICHMOND ATLANTA NEW YORK
PORTLAND DALLAS MIAMI

CONFIDENTIAL NEGOTIATIONS FOR SALE OF INSURANCE COMPANIES
Ralph F. Colton
30 N. LaSalle St. Chicago 2, Ill.
Financial 6-9792

List Charges On Which Ohio Department Took Action Against Kroll

The Ohio department statement on the revocation of the agency licenses of Mark Kroll and two Cincinnati agencies wholly owned by him, reported briefly last week, lists five violations on which the action was based.

Acting Superintendent Robert L. Mullins on Oct. 10 revoked the licenses of Mark H. Kroll, Agency Corp. of America, and Wilmark Insurance Agency, following an extensive administrative hearing conducted by Harvey E. Hyman, former common pleas judge of Paulding County, Ohio.

In reviewing the 1,369 page transcript of testimony and evidence together with briefs and other memoranda submitted by all parties, Superintendent Mullins found that Mr. Kroll and his agencies have been engaged in practices in violation of the insurance laws of both Ohio and Michigan which reflect upon their suitability to remain licensed as insurance representatives. The department, in their journal entry, determined that:

List Findings

1. Mr. Kroll allowed funds held in a fiduciary capacity to be comingled and diverted into other than insurance company activities.
2. Agency Corp. of America accepted, diverted, and comingled funds belonging to Michigan Surety with its own agency accounts.
3. Agency Corp. of America collected premiums on an annual basis on behalf of Michigan Surety and remitted the same to the company on a monthly basis, in violation of its contract with the Michigan Surety.
4. Mark Kroll, as president of Michigan Surety, permitted the books, records, and files of the company to be removed from its office in Lansing to Cincinnati in violation of Michigan insurance law.
5. By a series of intercorporate transactions, Wilmark Agency was rendered insolvent to the detriment of the insuring public and other insurance entities; Agency Corp. of America, by comingling of funds, investments, and loans, was seriously impaired, again to the detriment of the insuring public and other insurance entities.

Notes Michigan Statement

The Ohio department statement noted that Michigan supreme court, in rendering its recent finding that Michigan Surety was insolvent, stated that to "release this company from judicial control would constitute, in our view, an open invitation to plunder its already depleted treasury by officers whose vigilance, diligence and skill are seemingly exercised, not at all for the interests of the public, the company's policyholders and its creditors, but solely for the benefit of its corporate parent."

Mr. Mullins stated:

"We cannot help but agree with the Michigan supreme court in its determination that the officers of Michigan Surety and all other insurance corporations licensed to do business in that state must 'live by a standard of conduct at least a cut above the morals of the market place.' It is this same minimal standard of conduct which licensees of this department must meet in order to be considered honest, trustworthy, and knowledgable of the duties and obligations of an insurance agent."

In Indiana, Commissioner Harry E. McClain said his department is still working on a study of Ins. Corp. of America, the Kroll owned insurer. Mr. McClain said the examination began in April when Michigan Surety got into difficulty and Ins. Corp. of America listed Michigan Surety stock as an asset. The examination report will be available "in a couple of weeks," Mr. McClain said.

Isolated Opposition Won't Beat Welfare Plans, Bruce Advises

Isolated battles against specific welfare state proposals such as medical care through social security are futile, Donald Bruce, representative from Indiana, told Indianapolis Health Underwriters Assn. at its October meeting. "All you can hope for from such fights is some measure of delay," he warned.

"The trouble is that all of us tend to become quite aroused when a proposal impinges directly on our interests, but to be relatively unconcerned when a similar welfare state proposal doesn't affect us directly." The only way to block the increase of socialist legislation is for all groups to combine and oppose the total philosophy and specific applications of it wherever they appear, he stated.

Mr. Bruce said that there is a "gass roots ground swell" against growing bureaucracy. His mail on the subject is now running about 200 letters a day. Successive administrations have built levels of bureaucracy until entrenched bureaucrats, not there by selection of the people, have developed a defiant attitude toward Congress.

Bureaucrats prepare the bulk of legislation, he charged. "Many. . . plans 'to help the people' are plans to entrench the bureaucrats. Congress has abdicated its powers, leaving the people no place to appeal. The more people dependent on the government, the less security we have. We have become servants of the government."

Many congressmen agree with him in principle, Mr. Bruce reported, but are afraid to vote against "giveaways." What they need is assurance from their constituents that if they do so vote, they will be supported—not only on specific projects but on the whole front of social legislation.

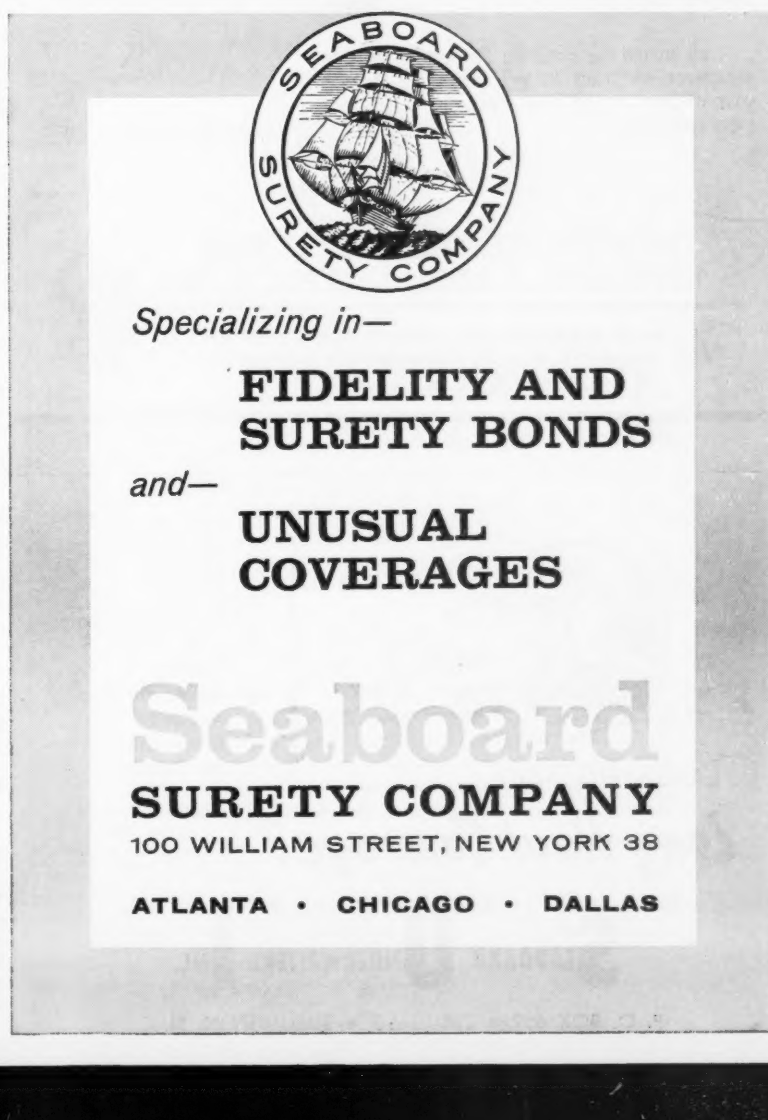
Standard Accident Wins Award For 1960 Report

Standard Accident has been selected for the second consecutive year as the first place award winner for having issued the best stockholders annual report for 1960 in the property insurance field. The decision was made known by the weekly magazine Financial World in connection with its yearly survey to stimulate better annual statements to stockholders.

Presentation of a bronze "Oscar" will be made to L. M. Goodspeed, vice-president and treasurer, by Richard J. Anderson, editor and publisher of Financial World at an awards banquet Oct. 30 in NewYork.

More than 5,000 reports were reviewed in 96 categories during the 1961 competition. The chairman of the jury which made the selections is Joseph H. Taggart, dean of the graduate school of business administration, New York University.

The Great Falls, Mont., office of **General Adjustment Bureau** has been moved to larger quarters at 2307 Tenth Avenue South. H. J. Clos is manager. Regional Manager Harry A. Alair has moved his office to the new location.



Sees Solicitors As Solution To Problems

(CONTINUED FROM PAGE 20)

and with a child or two. Keep away from relatives, especially your wife's. Avoid country club products; solicitors don't belong on the golf course. Avoid off-season sports figures. They don't need the money and they rarely pan out," Mr. O'Connell advised.

Play Fair With Solicitor

"Play fair with your solicitor. Lend him a chunk of your own business and then you can go out and get some more. Give him a fair share of office prospects and plenty of billing in your advertising. Make him a part of your organization and don't keep all company "favors" for your own accounts. Let him meet with your company men and underwriters and claim adjusters. Buy him a lunch once in a while and tell him how proud you are of him," Mr. O'Connell urged.

The solicitor deserves and must have a fair share of commission. Most agents, who have been successful in cultivating solicitor production split their commissions on at least a 60%—40% basis, with the 60% going to the producer and the agent providing housing, all office facilities and reasonable financing. If the agent can afford it, he should pay the solicitor on a written, rather than a paid basis. This will encourage him and save a lot of bookkeeping, Mr. O'Connell said.

He advised agents to avoid "accounts current" for solicitors and to keep them on an "item" basis. This allows the agents to bill solicitors' customers each month as he does his own, and it is a genteel method of learning if collections are being turned in correctly.

"Insist on a progress report from your solicitor. When did he work and where? How many calls did he make and what happened? Work with him whenever he needs you. Help him cold canvass. It will do you good too," Mr. O'Connell suggested.

He recommended subscription to a name service, with the agent sharing the cost with the solicitor. The agent probably hasn't had time for years to call on new residents in his community. The direct mail services of companies should be used. They really work if the agent has the manpower to use them.

Solicitors Are Solution

The agent should keep constant solicitor production records—daily—weekly—monthly. It is also not a bad idea to keep them for himself. A little incentive bonus once in a while when a solicitor has had a particularly good week or month is helpful. The agent is building an agency and the solicitor is a good capital investment.

"We have spent the last half century in developing the science of insurance to its present degree of perfection. Through our meetings and our committees and our organizations we have composed the great literature that now comprise all insurance contracts and we have accumulated the vast experience on which all rates are predicated. Now and then and forever in the future, we must devote our time to practical merchandising; we must sell our product to the greatest number of people with the least waste of manpower and money. We need shock troops, who will allow us to meet the enemy in his own stronghold; to attack, rather than to defend, and ultimately to redeem that portion of the insurance market that is rightfully ours. The effective use and the effective control of solicitors, by whatever name they are called, will provide the solution," Mr. O'Connell concluded.

WHICHEVER WAY THE WIND BLOWS

. . . all around the world our field representatives are ready to help you serve your clients — and new prospects — more effectively.

ALL COVERAGES EXCEPT LIFE

NEW HAMPSHIRE INSURANCE GROUP

NEW HAMPSHIRE INSURANCE COMPANY
GRANITE STATE INSURANCE COMPANY
Manchester, New Hampshire

√ Fire Theft Collision
√ Cargo
√ Workmen's Comp.
√ Long Haul Liability
√ Immediate Binding Authority
√ Excess Limits All Classes

LOOKING FOR

Long Haul Coverage?

Licensed Prominent American Stock Insurance Companies

SEABOARD UNDERWRITERS INC.

P. O. BOX 659 • 228-1346-7 • BURLINGTON, N. C.

LaSalle Casualty Acquires Dubuque's Chicago Business

LaSalle Casualty has completed arrangements to acquire substantially all of the outstanding local and general agency business in Cook County (Illinois) of Dubuque F.&M. Lines involved include fire and allied coverages, homeowners, casualty, marine, and miscellaneous. The acquisition is from American States, which recently took over most of Dubuque's business nationally.

Portland Agents Elect

James M. Campbell has been elected president of Portland, Ore., Assn. of Independent Agents. He succeeds William H. Lilly.

Other new officers are: A. Thomas Breeden, secretary, and Stanley N. Boquist Jr. ,treasurer. Thomas K. Sammons was named to the board of directors.

Mr. Campbell has served three previous terms on the board of directors. He is also a director of Oregon Assn. of Insurance Agents.

Nationwide Has New Branch Office

Nationwide Mutual has opened a new regional office at Columbus, O. In addition to the Columbus office, which serves 26 counties in central and southeastern Ohio and has 312 employes, the four story building also will house the company's south central office. The latter serves Kentucky, Tennessee, West Virginia, Alabama, and Mississippi.

Former Insured Of Equity General Sue Several Insurers

Seven companies, formerly insured by Equity General, which is in receivership, have filed suit in federal court at Greensboro, N. C., against two commissioners and several insurers. The plaintiffs claim that the insurers were obligated to assume the liability of Equity General under agreements with that insurer but failed to do so. Consequently, the plaintiffs charge, they were forced to pay liability claims and assume the expense of litigation.

In addition to Commissioners Gold of North Carolina and Larson of Florida, receivers of Equity General are named as defendants, along with these insurers: Stuyvesant, U. S. Liability of Pennsylvania, Global of Toronto, Preferred of Michigan, and Nationwide Mutual.

The suing companies are Safeway Trails of D. C., Trailways of New England, C. I. Whitten Transfer Co. of Huntington, W. Va., Associated Petroleum Carriers of Spartanburg, S. C., Watkins Motor Lines, Hicklen Motor Lines of St. Matthews, S. C., and Morris Produce Exchange of Columbia, S. C.

Seek To Learn How Many Life Agents Are Multiline

With more fire and casualty companies entering life insurance and with considerable evidence that more full time life agents are selling fire and casualty lines, the publication Probe is conducting a survey of how many life agents sell property and liability coverages.

The survey has three questionnaires, one directed to the agent, another to the agency head, and the third to the home office official of the life company. The agent is asked how he got into multiple lines, for extra income, complete coverage for clients, or easier prospecting. He is also asked to name the plus factors in doing a multiple line business (and the negative ones) and if he would advise a son about to enter insurance to specialize in life or sell all lines.

Probe is published by two New York life insurance men, Ralph G. Engelsman and Halsey D. Josephson.

J. H. McIvor, general secretary of Insurance Institute of New Zealand, will discuss insurance in that country Oct. 23 in New York. His appearance is being sponsored by Insurance Society of New York and will be in the board room of New York Board.

DIRECTORY OF RESPONSIBLE

INDEPENDENT ADJUSTERS

C

INLAND ADJUSTERS, INC.
All Lines
Service throughout Eastern Pennsylvania, Southern New Jersey, Delaware and the Eastern shore of Maryland.
12 S. 12th Street WAlnut 2-7922
Philadelphia 7, Pa. POplar 5-4118

C. R. WACKENHUTH AND SON
ADJUSTERS FOR THE COMPANIES—ALL LINES
301 Mid-Continent Bldg.
Tulsa, Oklahoma

Agent-Company Relations Can Be Improved

(CONTINUED FROM PAGE 4)

1960 the company had become the sixth largest writer of the business with more than $18 million. There is proof that the product must stand trial by market as to price, coverage, and service. Homeowners forms have been improved. They are not perfect but are far better than the forms they replaced. Also, a rating formula was adopted which puts rates at a competitive level. Consequently, there presently exists far less likelihood that participation of agency companies and their agents in this highly important line will diminish to the same level it has reached in the automobile business.

As to agency manpower, Mr. Van Gils noted that the growth of direct writers has resulted to an appreciable degree from concentration on sales interviews. There is no substitute for this. Advertising can't do the job alone. His own company for some time has had available a program for aiding agencies to add sales power. This includes rather extensive help in selection, training, and even financing. Several other companies are offering similar services. The agency system cannot meet the challenge of other systems if it does less selling. He pointed out that the average sale for the conventional department store is $75 per square foot of space compared with more than $200 for the discount house. The latter does this, in part, by using seven or eight of every 10 employes in sales while the conventional stores use only four or five.

Package Policies

He noted the development of the package policy program. The idea is probably a natural and inevitable development and ultimately means economy and better coverage. The packages, he conceded, have not always been most wisely conceived and introduced; in addition, they have meant work and turmoil for agents. But a tremendous lot of progress has been made and more is being made every day. These new forms demonstrate recognition that the agency system can't meet tomorrow's problems with yesterday's tools.

Underwriting losses incurred by companies in recent years are well known, he said. However, there is constantly increasing evidence that the companies can more and more rely on the underwriting judgment of informed and discerning producers.

Expense Control

The cost of product to the customer is a vital element in the ability to continue to grow. Consequently the control of expenses—those of companies and agents—is an important consideration. In his company there has been an aggressive and exceedingly effective effort to reduce expenses, apart from commissions. The burden to reduce expenses is not on companies alone, he declared. Neither agent nor company can afford to let high salaried people do low salaried work—salesmen must sell, managers must manage, and clerks must file.

One method of reducing expense now being tried is direct billing. He conceded that there is a difference of opinion on this subject. But, "the testimony of many of our producers who have tried it is favorable." Here method is important. Not all direct billing plans are on the same basis. His company believes it highly important to preserve the identity and service of its agents and its DB system was designed with that requirement uppermost in mind.

The insurance business has grown tremendously in recent years, he said. It has unlimited promise in the future. This can be realized by "working together in an atmosphere of mutual trust, respect and consideration," he declared.

National Casualty Raises Gottemoeller

National Casualty has advanced B. G. Gottemoeller to vice-president. He joined the company in 1960 as assistant vice-president in charge of casualty claims. Before that he had been director of claims policies for Nationwide Mutual. He is a past president of Columbus, O., chapter of CPCU.

List Of Speakers Set For Md. Health Agents Seminar

The program for Maryland Assn. of Health Underwriters' seminar has been completed and will take place Oct. 26 at the home office of Monumental Life in Baltimore. Speakers will be W. Harold Petersen, executive vice-president of Underwriters National of Indianapolis, who will talk on the use of health coverage in the business situation; Charles T. Kingston, general agent of Union Mutual Life at Hartford, who will discuss health insurance in estate planning, and James Barrett, vice-president of Mutual of Omaha, who will cover health insurance legislation.

Chairman of the seminar and moderator will be Morris B. Hack, general agent of the Continental group of companies at Baltimore.

Allen To Safety Post

Cole A. Allen, engineering vice-president American Mutual Liability, has been named to the board of Insurance Institute for Highway Safety, Washington D. C. He succeeds Arthur S. Johnson, who is retiring as engineering vice-president of that company. He had served the institute since its establishment in 1959.

Members of IIHS are Assn. of Casualty & Surety Companies, National Assn. of Automotive Mutual Insurance Companies, and National Assn. of Independent Insurers. Each has three members on the board. The automotive mutual group designated Mr. Allen. Prior to being named to his present company post, he was division engineering manager in Philadelphia from 1950.

Ill. Department Issues Rules On Premium Records, Gross Premiums

The Illinois department has issued rules for domestic companies, effective Jan. 1, on recording of premiums collected and the definition of gross premiums.

Receipts from premium collections entered on company records must be identifiable to a definite individual policy, endorsement, rider or other amendment, to indicate the allocation of the collection to an individual insured. Listings, cards, or other data must be maintained clearly, identifying the individual policyholder on all accounts covering uncollected premiums or agent balances, and the total of these subsidiary ledger records must balance to the general ledger uncollected premium "agent balances" control account. Details shown on these subsidiary accounts must include the individual policy numbers, net due per policy and the effective date written. In computing over 90 day balances, the actual effective date of the policy, endorsement, rider or other amendment developing the premium in charge shall govern.

Gross premiums are defined as the total amount charged insured, excluding only policy and/or membership fees when these appear as separate amounts on the policy and are authorized under the company's approved rate filing, and taxes where the company acts only as a collection agency and amounts collected clearly appear as separate charges on the policy. This definition of gross premium is to be used in computing or calculating unearned premium reserves.

Low Value Dwelling Plan

West Virginia Rating Bureau has filed a new fire rating plan for low cost dwellings. This includes a loss constant approach, the constant ranging from $3 to $9, and a reduction in the rate level. Brick veneer buildings would be rated as brick.

Buyers Debate Self-Insurance

Self-insurance vs insurance was debated at the Oct. 19 meeting of the northern California chapter of American Society of Insurance Management at San Francisco by H. Lang Hilleary of Standard Oil of California and Fred W. Greenlaw of Kaiser Aluminum & Chemical.

S.F. Fire Underwriters Meet

Fire Underwriters Forum of San Francisco had as guest speaker for its Oct. 18 meeting B. C. Hanon of Underwriters Inspection Service, Los Angeles, who discussed "New Modes of Construction."

Mich. Research Center Study Turns Up Facts On Care Of The Elderly

University of Michigan Research Center has completed a major study of patterns of family change, with financial support from the Ford Foundation and U. S. Department of Health, Education & Welfare. In general, young and old alike, the study found that most Americans believe elderly people should avoid living with their grown children, if at all possible.

Even with social security and other income maintenance programs, most families still feel responsible for providing financial support to their parents and other older relatives if it is needed. Based on interviews with nearly 3,000 adults, the study found family breadwinners are opposed to the idea of having older people live with children, by a five to one margin. They foresee disadvantages in such arrangements largely to the children, but sometimes even to older people.

Oppose Doubling Up

Those in the best financial position to be able to provide housing for their parents were most opposed to "doubling up." In spite of expressed opposition to older people living with their children, adults believe that relatives should be financially responsible for older, needy persons—and said so by a two to one margin.

Attitudes toward financial responsibility for the aged were expressed as follows:

—Relatives should have sole responsibility, 29%, primary responsibility, 30%

—Relatives, government should share responsibility, 9%.

—Government should have primary

When all is said and done,

there is no substitute

for quality.

THE Glens Falls GROUP

GLENS FALLS INSURANCE COMPANY, GLENS FALLS, NEW YORK
THE NATIONAL LIFE ASSURANCE COMPANY OF CANADA, TORONTO, ONT.
KANSAS CITY FIRE AND MARINE INSURANCE COMPANY, KANSAS CITY, MO.
GLENWAY CORPORATION, GLENS FALLS, NEW YORK

WANT ADS

Rates—$25 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing "Situation Wanted" ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

WANTED—ASSISTANT TO A & H EXECUTIVE IN CHARGE NATION-WIDE OF PROMOTIONS, UNDERWRITING & CLAIMS

Chicago Loop office. —Superb skill in correspondence essential. Preference given young man with good education, ability and ideas to develop into top executive. A & H experience desirable, but not a must. Write qualifications in confidence to B-55, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

ATTORNEY

Young man, member of Bar, interested in corporate career.

Starting in legal research. This position entails wide variety of legal activity in all phases of casualty insurance field.

Attractive future possibilities.

First letter should include complete resume of background qualifications.

Write
Manager of Employment
GOVERNMENT EMPLOYEES INSURANCE COMPANY
P. O. Box 1206
Washington 13, D. C.

SPECIAL AGENTS OR ACCOUNT EXECUTIVES

We are looking for experienced special agents and account executives to represent large company producing automobile insurance. Now considering applications for Michigan, Pennsylvania and Texas. Excellent opportunity for good earnings and advancement. Send resume to B-28, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

OHIO — INDIANA PENNSYLVANIA — KENTUCKY

Want to be a General Agent? Fire—Casualty Insurance. If you are experienced in sales work, want to own your business and earn commissions on what you sell and an overwrite on your agents, you will be interested in our exclusive General Agency Contract. Paper work, billing and collections all handled by Home Office. Reply B-57, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

AVIATION SPECIALIST

Capable of handling engineering, underwriting and claims. Should be licensed, experienced pilot. Requires executive ability to handle aviation department for progressive mid-west multiple-line company. All replies confidential. Send resume with salary requirements to B-20, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE—General Insurance Agency located in Michigan's Northwestern Lower Peninsula. Gross Volume—$100,000. Excellent spread. Bulk of business, except auto, on 3 and 5 year annual pay plans. Owner desires to devote full time to life selling. Write B-38, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

REINSURANCE MAN

Large, century-old, capital stock, multiple-line insurance company seeks experienced reinsurance man for new position. Write full details of background and salary expected. Reply confidential. Address B-27, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

UNDERWRITERS—DIRECT WRITING

If you have 5 or more years progressive underwriting experience with a large direct writing company and some aspirations to greater responsibilities, you may qualify for an exceptional opportunity in a young multiple line casualty company soundly backed by life insurance interests.

Southern non-metropolitan location. Your reply will be acknowledged if it meets these qualifications. Write B-36, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

ATTORNEY
New Jersey Resident

Experienced Trial Attorney for heavy cases. Must be admitted to N. J. Bar. We are a top firm located in Newark, N. J. and will pay a high salary for qualified man. Our attorneys know of this ad. Please send resume to B-48, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

Old established Nebraska Multiple Line Mutual Company desires aggressive production man with background of Fire and Casualty lines to travel a Nebraska territory. Please send resume to B-49, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

AGENCY CONNECTION DESIRED

As junior partner, manager, heir apparent, or what. No investment. Adept producer. Fieldman fourteen years, under forty. Presently Chicago Assistant Branch Company Manager. Will relocate. Remuneration requires $11,500. Write B-53, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

SITUATION WANTED

Special agent position wanted in Ohio or Indiana 7 years multiple line experience, including agency analysis. Age 31, married with 4 children, will relocate. Write B-54, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

responsibility, 6%.

—Government should have sole responsibility, 21%.

—No opinion, 5%.

The principal reason given by those who felt support of relatives was a family responsibility was that "families should care for their own." Those who favored joint responsibility felt that the sharing should depend on finances. The group in favor of government responsibility said "this is the government's job" or "relatives cannot afford to support older people."

An analysis of answers to the question about responsibility for older people who cannot take care of themselves financially revealed that those best able to provide financially for aged parents or relatives were most in favor of individual rather than government responsibility. These were the same people who were opposed to having aged parents live with children. Married couples with young children at home—the group for whom it would be most difficult to provide housing for relatives—were more likely to feel that children should be financially responsible for parents.

In general, those who viewed financial aid to aged relatives as a family responsibility tended to be those who: Have the highest potential income—the highly educated people not yet retired; have children living at home; have few, if any, brothers and sisters; have moved—from farm to city, city to suburbs, or from the South to other regions; attend church regularly; are Republicans; live in state where smaller proportions of the aged receive old age assistance or social security; feel that one gets ahead by hard work rather than luck and help from friends.

Dow Advocates Use Of Standard Punch Card

A standardized punch card, which independent agents could supply to their companies for every automated agency accounting transaction, was advocated by Paul O. Dow, treasurer of National Assn. of Insurance Agents, in a talk at the annual meeting in Providence of the Rhode Island association.

Mr. Dow, who is staff secretary to the NAIA automated agency accounting committee, emphasized that agents and companies working together could effect economies in accounting procedures by which the agency system would remain the best and most practical means of distributing insurance.

Now that NAIA has produced a procedural manual on automated agency accounting, more and more agents are expected to adopt the system, Mr. Dow said. If companies would agree on a standardized form, agents using the system could provide a duplicate punch card for their companies on every transaction. Companies could then process the agents' cards without wastefully duplicating the information in their own operations.

Cites Details

The punch card, Mr. Dow noted, would contain the following information: Date of actual transaction, effective month and year, producer code, transaction code, policy number, company code, line code, gross premium amount, commission rate, assured name and agency commission amount. In addition to a standardized punch card, he said, it would be necessary to refine the coding procedure, in order to prevent the chaos which would result if many variations of this procedure were reported to the companies.

The automated agency accounting committee, he said, would attempt in coming months to bring this thinking to the attention of as many companies as possible.

'Our position and course of action is clear,' Mr. Dow said. 'We are attempting, through the medium of standardization, to eliminate most of the detail required of the independent agent today, thereby providing him with additional time for production. By so doing we hope to be of assistance to him in meeting the competition of the direct writer and in strengthening his agency.'

He urged agents and companies to replace the open warfare which does no one in the business any good. Producers, he said, must recognize the right of their companies to a fair profit from the business they produce. Companies, on the other hand, must consider the producers as their equals in discussions.

Mr. Dow warned that the competitive battle is no longer a battle of company against company, nor agent against agent. It is a battle of the agency system with its tried and proven methods, against the direct writer with its cut rate, hard sell methods.

Multiple Line Underwriter. Fast growing Mid-West Multiple Line company has opening for qualified Multiple Line underwriter heavy in casualty experience. Minimum of 6 to 8 years experience necessary. Liberal employee benefit plan. Salary open. Give resume of job experience. Reply to B-56, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE OR CASUALTY COMPANY

with Best's rating wanted. Will invest $500,000. to $1,000,000.

Reply to: Ivan B. Brendler
Realty Title Ins. Co.
1424 K Street, N.W.
Washington, D. C.

ACTUARIES

Excellent growth opportunity for a young man, who is currently taking examiantions of either actuarial society and is seeking greater challenge with a leading and rapidly expanding casualty company. Salary based on experience and potential. Please send a complete resume in confidence to Actuarial Dept., American Mutual Liability Insurance Co., Wakefield, Mass.

Meridian Mutual And Central Assur. Integrate

Carl M. Russell, president Meridian Mutual of Indianapolis, has been elected chairman of Central Assurance of Dayton, a life and A&S insurer, and John D. Shafer, president of Central Assurance, has been elected a director of Meridian Mutual.

The management integration will enable both Meridian Mutual and Central Assurance agents to write all lines, and both companies will have a common agency plant.

III Sales Display Booth To Be At Cal. Agents Meet

A sales promotion display booth, designed by Insurance Information Institute for use by local agents' associations at county or state fairs or similar meetings, will be exhibited at the annual convention of California Assn. of Insurance Agents Oct. 30-Nov. 1 in Los Angeles. III has provided field men's organizations with a kit containing the basic material for this booth. Local insurance associations can obtain the kit from the fieldmen, without charge, for their use at suitable meetings. A "Saf-T-Rater," which tests a person's braking reaction time and also his visual depth perception, will be available in the booth for use by visitors.

Gold Defends N. C. Deviation Law

(CONTINUED FROM PAGE 1)

ing for collision insurance, he said, "There were none in this state because of the daily audits by the bureau." He concluded that if the subcommittee's ideas were adopted "it would be impossible for departments of insurance to regulate."

Over 400 Attend

The convention was attended by more than 400 persons, including more agents than any previous meeting.

Gov. Sanford, in his talk, praised the agents and the insurance business for the contributions they are making to support North Carolina Traffic Safety Council.

Stafford H. Warner of Memphis, Tenn., member of the NAIA executive committee, and Dr. Kenneth McFarland, educational consultant of General Motors, also spoke.

Thomas B. Follin of Winston-Salem was elected president to succeed I. A. Jones of Charlotte, George W. Carr Jr. of Durham was named vice-president, Charles C. Harris Jr. of Rocky Mount secretary-treasurer, and Ernest F. Young of Charlotte national state director. New directors are Everett Blake of Wilson, Walker Taylor Jr. of Wilmington, Van Wyck Webb of Raleigh, John L. McLean of Lumberton, Larry Tomlinson of Charlotte, Frank Harrison of Salisbury, Jack Anderson of North Wilkesboro, A. W. Archer of Shelby, and James Neal Jr. of Marion.

Brantley Reelected

The board reelected Richard S. Brantley executive secretary and Carlton E. Thomas public relations director. A resolution commended Sherman G. Otstot, who retired recently as executive vice-president.

The Louis M. Connor cup for outstanding agency service was awarded to John N. Hackney Jr. of Wilson. The C. W. Coghill plaque, also for agency service, went to Morgan Spier of Charlotte. The Alexander Webb trophy, for service by a company man, was won by Fred M. Benton Jr. of Travelers, Raleigh; the Thomas Gresham Radden trophy for local board service by Charlotte; and the Sherman G. Otstot trophy, also for local board service, by the Alamance exchange.

CADILLAC ASSOCIATES, INC.
Insurance Division
29 E. Madison Bldg.
Chicago 2, Illinois

- As the country's largest executive placement service, we can find a man the career opportunity of a lifetime.
- Our national coverage puts us in touch with employers in any part of the country.
- Employers call on us in their search for EXECUTIVE Personnel.
- Opportunities are currently available in all categories: LIFE, FIRE, CASUALTY, BOND, A&H.
- CADILLAC is where more executives find their positions than any where in the world.

H. J. ROBERTS,
Manager - Insurance

All inquiries and contacts are confidential.

DIRECTORY OF RESPONSIBLE
INDEPENDENT ADJUSTERS
B

S. J. Kernaghan & Co. Ltd.
INSURANCE ADJUSTERS
WINNIPEG, MANITOBA, 138 PORTAGE AVE. EAST, TEL. WH 3-5476
BRANDON, MANITOBA, 186 - 11TH STREET, TELEPHONE PA 9-4053
KENORA, ONTARIO, 114 MAIN ST. SOUTH, TELEPHONE HO 8-7229
DRYDEN, ONTARIO, BOX 1882, TELEPHONE 217
IN CANADA COVERING MANITOBA AND WESTERN ONTARIO
ADJUSTING AND INVESTIGATING FOR COMPANIES ONLY

SCOTT WETZEL CO. UTAH-IDAHO
INSURANCE ADJUSTERS
Home Office—428 So. Main, Salt Lake City, Utah
Day or Night offices: Ogden, Utah; Provo, Utah; Idaho Falls, Idaho; Pocatello, Idaho; Twin Falls, Idaho

Spangler Adjustment
Inspection Service
ALL LINES
880 E. Broad St. Columbus 5, Ohio Tel. CL 2-2322
124½ North 7th St. Zanesville, Ohio Tel. GL 3-5379

MORRELL P. TOTTEN & COMPANY, Inc.
General Adjusters—All Lines
ALASKA: Anchorage, Fairbanks, Ketchikan
CALIFORNIA: Eureka, Fresno, Los Angeles, San Francisco
OREGON: Portland
WASHINGTON: Seattle, Spokane

Texas Women's Annual Held In San Antonio

Federation of Insurance Women of Texas held its annual convention at San Antonio. Originally planned for Galveston, when Hurricane Carla struck, it became necessary to move the convention to a city which had not suffered serious damage. Consequently, the Galveston and San Antonio women were co-hostesses.

Wanda J. Dannelly, Dallas, was elected president; Isabel Martin, Austin, and Mrs. Jerald D. Scott, Dickenson, vice-presidents; Lucy Fewell, Dallas, corresponding secretary; Sylvia Kennemer, Longview, recording secretary, and Ardis Glover, Waco, treasurer.

Mayor McAllister of San Antonio opened the gathering by describing some of the developments in his city under its present form of government. Glenn Epstein, outgoing president, give the keynote speech, stressing the convention slogan, "The Big I Is You." She asked that members recognize their responsibility to the business and urged them to make suggestions to the all-industry committee that might improve insurance conditions.

Mrs. Byrtis A. Brinkley, Highlands, 2nd vice-president of the federation and chairman of the education committee, reported that a new book, Introduction to Insurance for Texans, has been published and is now available to clubs or agents. The book defines terms used in insurance and contains background material on the Texas rating law, the state board of insurance, service offices maintained by companies in Austin, standard policies, and auto insurance.

A panel of speakers was featured under the heading, "Into the Future." Durward L. Anderson, Houston, president Texas Assn. of Insurance Agents, spoke of the function of insurance women in public relations. A. P. Boyd, vice-president Cravens, Dargan & Co., described how women have affected the development of new forms and policies.

Mrs. Lera Penrod Odessa, past president of the federation, presented a resolution adopted at the El Paso convention calling for the abolition of the debit and credit system of rating fire risks. Other panelists were William A. Reed, all-property insurance industry steering committee of Texas; Alyce Schwab, Austin Insurance Checking Office; William J. Harding, director of public relations Texas Insurance Advisory Assn.; Leslie Bearse, assistant to Mr. Harding, and Harold D. Scott, consulting psychologist, Houston.

William F. Crowley, American Foreign Insurance Assn., showed films telling the extent of the association's operation throughout the world.

Three "buzz sessions" ran concurrently but were repeated so that interested members might attend all three. Safety & Insurance Information Institute was described by Mr. Bearse, legislative questions were treated by Natalie Owen, Galveston, and parliamentary law was analyzed by Mrs. Penrod.

Manhattan-Guarantee Raise Heindel, Saal In East

In reporting the promotion of Russell P. Heindel and Fred C. Saal in the eastern department of Manhattan-Guarantee in the Sept. 29 issue, the word "eastern" was inadvertantly omitted. Mr. Heindel was named manager of the eastern department and Mr. Saal assistant manager there.

Ky. Insurer Offers Stock

Thomas Jefferson Ins. of Louisville is offering stock to the public for the first time. The offering of 63,750 shares is priced at $4.70 a share. After underwriting commissions, the company will receive $270,937, and there will be 175,750 shares outstanding.

The Missoula, Mont., office of **General Adjustment Bureau** is in larger quarters at 2617 U.S. Highway 93 South. D. P. Dougan is manager.

Brunner, Dryden Raised By Standard Accident

Standard Accident has promoted William F. Brunner and Lanier T. Dryden to associate managers of the newly merged home office fidelity and public official bond departments.

Mr. Brunner joined the company in 1948 as a bond underwriter. Most recently he had been assistant manager of the public official bond department.

Mr. Dryden went with the company in 1936 and was appointed a fidelity bond underwriter in 1942. In 1953 he was named assistant manager of the fidelity bond department.

County Protection Plan Wins Rate Reduction For Dallas Suburbs

DALLAS—Pilot rate reductions of from 4 to 8% on fire risks outside the Dallas city limits are to become effective in Dallas County Nov. 1 as the result of the county's fire protection plan.

Properties affected will be dwellings, business buildings and ranch properties within 10 miles of an improved fire department and with adequate telephone service. Those within 750 feet of a fire hydrant or approved reservoir will receive an 8% credit and others will receive a 4% credit. Under the requirements the county-supported volunteer fire department must have at least 10 men and a 250-gallon per minute pumper for Class A rating and 50 gallons per minute for Class B.

Similar credits will be extended to the Houston, San Antonio and Fort Worth metropolitan areas when they organize similar county fire protection programs, according to the Texas department.

Two Join New Hampshire

New Hampshire Fire has appointed Robert Kotz special agent and Robert Hawthorne underwriter at Los Angeles. Mr. Kotz had been with Fireman's Fund and Mr. Hawthorne with Home.

J. C. Norris Jr. has been named manager of the life insurance department of **Palmer & Cay,** local agency at Savannah. He had been co-manager of Shenandoah Life's Atlanta agency.

Albert Willcox & CO. inc.
ESTABLISHED 1916

Reinsurance Planned and Negotiated · Admitted and Foreign Market Facilities

Facultative · Treaty · Excess of Loss
Fire · Marine · Inland · Casualty

99 JOHN STREET, NEW YORK 38, N. Y. BE 3-4191
11 PRYOR STREET, ATLANTA 3, GA. MU 8-4270

RESOURCEFUL

We in General Re are RESOURCEFUL, too, in adapting our reinsurance services to meet the changing needs of each client.

GENERAL REINSURANCE CORPORATION

Largest American Market Dealing Exclusively In Reinsurance • All Fire, Casualty, Accident and Sickness, Bonding and Marine Lines

Home Office: GENERAL REINSURANCE BLDG.
400 PARK AVENUE, NEW YORK 22, N. Y.

Midwestern Dept.: 101 WEST ELEVENTH STREET, KANSAS CITY 5, MISSOURI
Pacific Dept.: 610 SO. HARVARD BOULEVARD, LOS ANGELES 5, CALIFORNIA
Chief Agent for Canada: 360 ST. JAMES STREET WEST, MONTREAL 1, QUEBEC